



DAILY REPORT

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People's Republic of China

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16 November 1978

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PEOPLE'S REPUBLIC OF CHINA
INTERNATIONAL AFFAIRS

A 1

UNITED STATES

LI HSIEN-NIEN MEETS U.S. CONGRESSIONAL DELEGATION

OW160958Y Peking NCNA in English 0811 GMT 16 Nov 78 OW

[Text] Peking, 16 Nov (HSINHUA)--Vice-Premier Li Hsien-nien this morning met Edmund Muskie, chairman of the Senate Budget Committee, Mrs. Muskie and the U.S. congressional delegation he is leading. During the meeting, Vice-Premier Li Hsien-nien exchanged views with the visitors on Sino-American relations and international issues of common interest. Present was chief of the U.S. Liaison Office in China Leonard Woodcock. Also present were Chinese Vice-Foreign Minister Wang Hai-jung and Secretary General of the Chinese People's Institute of Foreign Affairs Hsieh Li.

PEOPLE'S DAILY LOOKS AT U.S. MEASURES TO BOLSTER DOLLAR

HK150710Y Peking PEOPLE'S DAILY in Chinese 7 Nov 78 p 6 HK

[Economic notes by Ku Chin [6253 3160]: "A Breathing Spell"]

[Text] On November 1 the U.S. Government suddenly announced a package plan to check the decline of the dollar. The main points include massive gold sales; arrangement for support totaling 30 billion dollars in the currencies of West Germany, Japan and Switzerland to stabilize the international money market; increase in the Federal Reserve Board's discount rate to a nearly record-breaking level, and so on. As a result, the dollar exchange rate began to go up and the gold price dropped markedly on Western foreign exchange markets. The Western world seems to be greatly relieved now that the dollar exchange rate is no longer falling and international currencies may remain stable for the time being.

Prior to this, despite the fact that the U.S. Government had announced an "anti-inflation program," the U.S. Congress had adopted an energy-saving program and the U.S. foreign trade deficit had dropped somewhat, the dollar still could not win people's confidence and the decline in the dollar exchange rate continued. In the week ending 30 October, the value of major Western currencies, including the Deutsche mark, the Japanese yen, the British pound and Swiss and French francs, shot up 4 to 6 percent against the U.S. dollar. Not only were currency speculators engaged in massive dollar sales but also the governments and central banks of some countries as well as some multinational companies. Indeed, when the U.S. Government does not act to support the dollar exchange rate, the economy and finance of the entire Western world, including the United States, becomes chaotic. This has compelled the U.S. Government to take a major step toward correcting the situation. The U.S. Washington POST even said on 2 November that Carter's plan was "the most thoroughgoing measure for protecting the dollar since Nixon's decision to cut the link between the dollar and the gold price in 1971."

However, is this measure taken by the U.S. Government really "thoroughgoing"? Will it be able to preserve the long-term stability of the dollar exchange rate?

As everyone knows, the sharp decline in the dollar exchange rate stems from the over supply of the dollar on international markets, the huge deficit in U.S. foreign trade and serious inflation at home. However, the package plan announced by the U.S. Government to check this fall is apparently aimed at "gaining time" and "putting out the fire for the time being." Therefore, people are to varying extents skeptical about whether this emergency measure can preserve the long-term stability of the dollar. Furthermore, to check inflation at home and draw dollars back into the country, the U.S. Government had incessantly increased the Federal Reserve Board's bank lending rate since April this year. [paragraph continues]

This aroused panic in U.S. economic circles because an increase in bank interest rates implies that U.S. capitalists and consumers will no longer be willing to increase their investments and buy consumer goods by means of loans. This is sure to bring about economic stagnation. Some U.S. economists have predicted that this practice "could further tip the nation toward an economic recession."

This is a knotty problem confronting the U.S. Government in its effort to tackle economic difficulties at home.

U.S. DEFENSE OFFICIAL CITED ON CRUISE MISSILE TESTS

OW152018Y Peking NCNA in English 2012 GMT 15 Nov 78 OW

[Text] Peking, 15 Nov (HSINHUA)--U.S. Under-Secretary of Defense William Perry said yesterday that the seven survivability tests conducted so far between last Jan. 7 and Oct. 30 confirmed the judgment of U.S. scientists on the ability of the U.S. cruise missile to penetrate Soviet air defenses, according to reports from Washington. Addressing a news conference, he noted that the U.S. would have an initial operating force of cruise missiles by 1982 and would have 3,000 by 1985. Perry estimated that a force of 3,000 cruise missiles and modification of about 165 B-52s would cost about 10 billion dollars. But the Soviet Union would have to spend up to 50 billion dollars over the next 10 years to develop an effective defense system including several thousand jet fighters and 10,000 ground missiles. But the U.S. could respond to such a threat to the B-52s by backing them off farther from Soviet territory and extending the range of the cruise missile.

The cruise missile is thought to be a "trump card" of the U.S. in its nuclear arms race with the USSR. The Soviet Union has tried its best to limit the development of this missile in SALT. The bargaining over the limitation of the cruise missiles is one of the reasons that SALT has not reached any agreement.

SOVIET UNION

PEOPLE'S DAILY ACCUSES USSR, SRV OF INSANE AGGRESSION

BK151125Y Peking in Cambodian to Cambodia 1030 GMT 14 Nov 78 BK

[Text] On 14 November, China's PEOPLE'S DAILY carried a short commentary on international developments entitled: "The Most Serious Mental Case." The commentary points out that the propaganda campaign waged by Moscow and Hanoi is a smokescreen to cover up the war of aggression, which has long been plotted against Kampuchea. With the dry season drawing near the USSR and SRV have concluded a treaty, and their propaganda campaign about the opening of a large-scale offensive against Kampuchea has also intensified.

The Soviet paper RED STAR has published a fabrication saying that Kampuchea has started an undeclared border war against the SRV. TASS and VNA have spread other lies saying that Kampuchean rebel forces have opened an offensive. There has been one fabrication after another and they have become increasingly strange. Such malicious news is a smokescreen to cover up the fact that their clique continues to wage a long-prepared war of aggression against Kampuchea.

In fact, 4,000 Soviet military advisers and 100,000 Vietnamese troops have been prepared to launch an attack against Kampuchea, yet Moscow and Hanoi have slanderously claimed that Kampuchea has started an attack.

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Moscow and Hanoi have even gone so far as to report Kampuchea is facing an uprising. The tricks used by the Soviets and the Vietnamese are not new. At those times during the past few years when their clique carried out incessant acts of aggression against Kampuchea, launched large-scale attacks and penetrated several kilometers into Kampuchean territory, Moscow and Hanoi also engaged in this sort of propaganda campaign to deceive the public.

The Soviet paper IZVESTIYA on 1 November openly appealed for the overthrow of the current Phnom Penh leaders. Recently, the Vietnamese paper NHAN DAN and Hanoi radio loudly claimed that no nation can resist the SRV and that the Kampuchean Government's days are numbered. They say this because they are so involved in insane aggression and open war. According to the Soviet and Vietnamese adventurers, as soon as their dry season offensive starts, Kampuchea will immediately fall under their control. What has happened in the past and what will happen in the future will further prove that their clique is insane and will inevitably be routed.

FRG ENVOY TO U.S. CITED ON MENACE OF WARSAW PACT ARMS

OW151210Y Peking NCNA in English 1200 GMT 15 Nov 78 OW

[Text] Peking 15 Nov (HSINHUA) --"Under Soviet guidance, the Warsaw Pact has continuously updated its conventional and its nuclear armaments". Berndt von Staden, ambassador of the Federal Republic of Germany to the U.S. declared yesterday, according to a New York report. He said: "According to our judgement, the potential assembled by the Warsaw Pact clearly exceeds the needs of self-defense." "We consider the present situation as dangerous and potentially menacing", he added.

Addressing the luncheon session of the 65th U.S. National Foreign Trade Convention in New York, Berndt von Staden advocated that European countries should do "what is necessary to keep our defense capability in order to strengthen it wherever we detect gaps and inadequacies".

Referring to the question of stability in Europe, he stressed that European countries were pursuing this aim "through the promotion of European unity" and we do it through joint efforts at coordinated economic and monetary policies". We also stated that attention should be drawn to "our belief that future negotiations should pay special heed to the so-called medium-range weapons which constitute a strategic threat for Europe."

USSR CONDUCTS ANOTHER SIBERIAN NUCLEAR TEST

OW101116Y Peking NCNA Domestic Service in Chinese 0729 GMT 7 Nov 78 OW

[Text] Peking, 7 Nov--According to news from Stockholm, Sweden's Upsala Seismological Research Institute announced that the Soviet Union conducted an underground nuclear test at its Semipalatinsk test site in western Siberia on 4 November. The intensity of the explosion was equivalent to 6.6 on the Richter scale.

NORTH ASIA

HUA KUO-FENG RECEIVES JAPANESE DIET DELEGATION

OW151519Y Peking NCNA in English 1512 GMT 15 Nov 78 OW

[Text] Peking, 15 Nov (HSINHUA)--"With the signing of the Sino-Japanese peace and friendship treaty, the friendly relations between the two countries have entered a new historical period and their friendly cooperation has broad prospects. I hope that the people of China and Japan will live in friendship from generation to generation."

This was stated by Hua Kuo-feng, chairman of the Central Committee of the Communist Party of China and premier of the State Council, during his meeting with the friendship delegation of members of the Japanese House of Representatives here this afternoon. The delegation is led by Deputy Speaker Shoichi Miyake, since Speaker Shigeru Hori is hospitalized and unable to come because of ill health. Mrs. Hori, who is visiting China with the delegation, was present at the meeting.

Deputy Speaker Shoichi Miyake said to Chairman Hua that he believed Mr. Shigeru Hori would learn with great pleasure that the delegation received warm hospitality in China. Chairman Hua requested Mr. Hori to convey his regards to Speaker Shigeru Hori.

Other Japanese friends present at the meeting were members of the House of Representatives Asao Mihara, Makoto Tanabe, Nachiko Okubo, Itohko Tamaki, Toshio Yamaguchi, Susumu Kobayashi, Motcharu Arima and Seiichi Tagawa. Japanese Ambassador to China Shoji Sato was also present. Also present at the meeting were Liao Cheng-chih and Chi Peng-fei, vice-chairmen of the Standing Committee of the National People's Congress; Wu Hsin-yu and Lo Ching-chang, deputy secretary-generals of the NPC Standing Committee; and Han Nien-lung, vice-minister of foreign affairs.

Comments on SRV-USSR Pact

OW160033Y Tokyo KYODO in English 0006 GMT 16 Nov 78 OW

[Text] Peking, 16 Nov (KYODO)--Chinese Chairman Hua Kuo-feng said Wednesday he hoped that the Japanese and Chinese people will live in friendship from generation to generation through the signing 1 August of the Sino-Japanese peace and friendship treaty. The chairman said this in a meeting with a Japanese dietmen's mission led by Shoichi Miyake, vice speaker of the House of Representatives. This was the first time that Hua had met with Japanese visitors since the effectuation of the treaty. He pointed out that the visit made to Japan last month by Vice Premier Teng Hsiao-ping to attend ceremonies for exchanges of instruments of ratification of the Japan-China treaty was a great success.

He took up the matter of extending the period of the Japan-China long-term trade agreement and the problem of increasing the transaction amount and said China will deal positively with these problems.

Hua also commented on the recent signing of a friendship and cooperation treaty between the Soviet Union and Vietnam and declared that Article 6 of the treaty clearly indicates that it is a military pact. He said it has also become clear through the treaty that the Soviet Union is seeking hegemony in Southeast Asia and that Vietnam's banner of independence has crumbled.

Miyake and other members of his mission attended a luncheon hosted by Vice Premier Teng and his wife before meeting Hua.

Diet Delegation Hosts Banquet

OW151629Y Peking NCNA in English 1616 GMT 15 Nov 78 OW

[Text] Peking, 15 Nov (HSINHUA)--Shoichi Miyake, leader of the friendship delegation of members of the Japanese House of Representatives and deputy speaker, gave a return banquet at the Great Hall of the People here this evening.

Among the guests attending the banquet were Liao Cheng-chih, vice-chairman of the Standing Committee of the National People's Congress, and his wife Ching Pu-chun; Chi Peng-fei, vice-chairman of the NPC Standing Committee, and his wife Hsu Han-ping; Wu Hsin-yu and Lo Ching-chang, deputy secretaries-generals of the NPC Standing Committee, members of the Standing Committee and leading members of other departments concerned. Present were Mrs. Hori, wife of Speaker Shigeru Hori, and Japanese Ambassador to China Shoji Sato.

Deputy Speaker Miyake and Vice-Chairman Liao Cheng-chih made toasts at the banquet. As they joined in signing the anthem of Waseda University along with other alumni present at the banquet, they were greeted with warm applause that rang through the hall.

LI HSIEN-NIEN MEETS WITH JAPANESE AMITY GROUP

OW151222Y Peking NCNA in English 1212 GMT 15 Nov 78 OW

[Text] Peking, 15 Nov (HSINHUA)--"The treaty of peace and friendship between China and Japan, which was a factor of stability for Asia and the rest of the world. The so-called treaty of friendship and cooperation signed recently between the Soviet Union and Vietnam had not been positively evaluated by the Association of Southeast Asian Nations and various countries. On the contrary, it was considered an intrigue. "We oppose global hegemonism and regional hegemonism as well." This was said by Vice-Premier Li Hsien-nien this morning when he met with Tokuma Utsunomiya, vice-president of the headquarters of the Japan-China Friendship Association and member of the Japanese House of Representatives, and the delegation of the Japan-China Friendship Association he is leading. Some members of the delegation are leaders in charge of six Japanese prefectural friendship associations.

Tokuma Utsunomiya, who is an old friend of the Chinese people, has visited China several times. This is his second visit this year. During the meeting today, Vice-Premier Li Hsien-nien expressed appreciation for the Japanese friends' contributions to the cause of Sino-Japanese friendship. He said: "You have done good work towards the signing of the China-Japan peace and friendship treaty. The Chinese people thank you."

In reply, Tokuma Utsunomiya said: "We appreciate the positive attitude on the Chinese side toward the signing of the China-Japan peace and friendship treaty. We will continue to make sincere efforts for further developing the friendship between the people of Japan and China for generations to come." Liao Cheng-chih, vice-chairman of the Standing Committee of the National People's Congress and president of the China-Japan Friendship Association, attended the meeting. The Japanese friends arrived here yesterday evening for a friendship visit to China.

Remarks on Japan, U.S. Aid to SRV

OW160043Y Tokyo KYODO in English 0010 GMT 16 Nov 78 OW

[Text] Peking, 16 Nov (KYODO)--Chinese Vice Premier Li Hsien-nien said Wednesday there are views in Japan and the U.S. that economic assistance should be given to Vietnam in order to separate that country from the Soviet Union. But he said such extension of economic aid to Vietnam is harmful to Southeast Asia as long as the Soviet Union is extending military aid to Vietnam.

He said this in a meeting with a visiting mission of the Japan-China Friendship Association headed by Tokuma Utsunomiya, a member of the House of Representatives. Li also criticized Vietnam for unilaterally laying claim over the Nansha islands, saying that China and Vietnam had agreed in 1958 that the islands belong to China.

U.S., JAPAN DEFENSE CHIEFS HOLD REGULAR MEETING

OW101541Y Peking NCNA in English 1533 GMT 10 Nov 78 OW

[Text] Tokyo, 10 Nov (HSINHHA)--At the third Japan-U.S. regular consultation held here yesterday, Director-General of the Japanese Defense Agency Shin Kanemaru exchanged opinions with U.S. Defense Secretary Harold Brown on the military situation in Asia and the Soviet military buildup in the Far East. KYODO reported that the U.S. defense chief said the U.S. would improve the quality of the U.S. Pacific forces and increase military capabilities to some extent as the Soviet Union was expected to deploy the Kiev-class aircraft carrier Minsk and supersonic strategic "Backfire" bombers in the Far East in the near future.

Brown told a press conference Thursday that it is necessary to further strengthen Japan-U.S. defense cooperation with a view to ensuring security in Asia and Pacific region. Japan should increase its defense capabilities in specific military areas, such as improvements in antisubmarine warfare and air defense capabilities, and ground-to-air missiles for the ground self-defense forces.

It was reported that in his talks with Brown, Shin Kanemaru advanced a Japanese proposal to pay more of the cost of maintaining U.S. forces in Japan in the fiscal year 1979. During his stay in Japan, Brown also had talks with Japanese Prime Minister Takeo Fukuda and Foreign Minister Sunao Sonoda, reaffirming the importance of the U.S.-Japan security guarantee system. Brown arrived in Japan on November 8.

SOUTHEAST ASIA & PACIFIC

VIETNAM FORCIBLY EXPELS 236 CHINESE NATIONALS

OW152026Y Peking NCNA in English 1953 GMT 15 Nov 78 OW

["Vietnamese Authorities Create Serious Incidents of Beating and Expelling Chinese Nationals"--NCNA headline]

[Text] Nanning, 15 Nov (HSINHUA)--Under the Vietnamese authorities' order, Vietnamese public security men beat up 236 Chinese nationals with batons and daggers and expelled them into Chinese territory without certificates through the Peilun River on the Sino-Vietnamese border at 5:15 a.m. today. This is another anti-China and anti-Chinese incident hatched by the Vietnamese authorities.

The victimized Chinese nationals who had been expelled to China disclosed that the Vietnamese authorities are still bent on persecuting and expelling Chinese nationals. The Vietnamese authorities declared that those who refused to return to China would be denied grain rations and forbidden to reap rice in their own private plots. These victimized Chinese nationals were forced to the Peilun River on the border under the persecution and intimidation of the Vietnamese authorities and were stranded on the Vietnamese side of the river opposite the Tunghsing commune of Tunghsing County in Chinese Kwangsi Province.

Vietnamese public security men then made preparations yesterday for the expelling of those Chinese nationals, gathering a heap of marble stones on the bank of the river.

At 5:15 a.m. today, 19 Vietnamese security men encircled the lodgements of the victimized Chinese nationals from three directions under the command of a security man in black plain clothes and with a pistol. That fellow threatened the Chinese nationals, saying: "Cross the border or not? If you won't we'll kill you!" As the Chinese nationals refuted rightly, the man went abrupt and shouted to them: "Don't talk nonsense!" Meanwhile, he told other Vietnamese public security men: "Draw out your daggers, brothers!" When the victimized Chinese nationals saw the Vietnamese security men drew out their daggers to kill people, they sprang into the river. As a Chinese national named Huang Chiang was about to pick up his luggage, a Vietnamese public security man wielded his baton and wounded him in the head. At this moment, the Vietnamese security men began attacking the victimized Chinese nationals with batons and oval-shaped pebbles, wounding two more of them on the spot. Landed in a hopeless situation, 236 unarmed Chinese nationals were compelled to wade across the river and entered into China's territory.

SOUTH ASIA

FOREIGN TRADE MINISTER ARRIVES IN BANGLADESH

OW151515Y Peking NCNA in English 1509 GMT 15 Nov 78 OW

[Text] Dacca, 15 Nov (HSINHUA)--Li Chiang, Chinese minister for foreign trade, arrived here yesterday for an official visit to Bangladesh. Present at the airport to welcome the Chinese minister were Commerce Minister Saifur Rahman, Chinese Ambassador to Bangladesh Chuang Yen and others.

Sees President Ziaur Rahman

OW152119Y Peking NCNA in English 2022 GMT 15 Nov 78 OW

[Text] Dacca, 15 Nov (HSINHUA)--Ziaur Rahman, president of Bangladesh, received and had a friendly talk with Li Chiang, Chinese foreign trade minister, at the presidential palace this afternoon. After the meeting, President Ziaur Rahman gave a luncheon in honour of the Chinese minister of foreign trade.

This morning, Li Chiang held talks with Bangladesh Commerce Minister Saifur Rahman on the strengthening of trade relations between China and Bangladesh. The talks proceeded in a friendly atmosphere. Last night, Bangladesh Commerce Minister Saifur Rahman gave a dinner in honour of Minister Li Chiang and his party.

Reception Welcomes Li Chiang

OW152219Y Peking NCNA in English 2158 GMT 15 Nov 78 OW

[Text] Dacca, 15 Nov (HSINHUA)--A reception was given here this evening by the Bangladesh-China Friendship Society to welcome Chinese Foreign Trade Minister Li Chiang and his party.

Over two hundred and fifty people from all walks of life attended the reception. Mirza Golam Hafiz, president of the society and minister of land administration and land reforms, in his welcoming speech warmly hailed the growing friendship between Bangladesh and China.

He said, "We share a historical bond of friendship and mutual respect that has existed and stood the test of time." This friendship will be further promoted and strengthened day by day, he added. He said that the Bangladesh people are fully aware of the recent victories in social revolution and social reconstruction achieved in China. "China is today a strongest bastion of world peace, freedom and progress against the danger of world war which springs directly from contentions of superpowers for control over markets and sources of raw materials throughout the world," he said.

"Imperialists and colonialists are interfering in the internal affairs of emerging Third World countries in new forms to subvert their national unity and independence and to create chaos and disintegration in their national economies," he added. "All Third World countries must, therefore, declare their consolidation and unity and form a united front against imperialism, colonialism, expansionism, racism and all forms of exploitations and dominations for mutual benefit of the basis of equality and sovereignty," he said.

Li Chiang said, "The Bangladesh Government and people, under the guidance of President Ziaur Rahman, have made strenuous efforts and achieved remarkable successes in safeguarding national independence and state sovereignty and in developing the national economy and building their own country."

He said, "The Chinese Government and people attach great importance to the friendship with Bangladesh and firmly support the Bangladesh Government and people in their just struggle to safeguard national independence and state sovereignty and to oppose foreign aggression and intervention." He stressed, "We believe that with our joint efforts trade relations and other friendly relations between China and Bangladesh will develop with each passing day."

Bangladesh Commerce Minister Saifur Rahman and other high ranking officials attended the reception. Chinese Ambassador to Bangladesh Chuang Yen was also present. The reception proceeded in a cordial and friendly atmosphere.

EUROPE

ADDITIONAL REPORTAGE ON WANG CHEN UK VISIT

Honored by Trade Group

OW151336Y Peking NCNA in English 1259 GMT 15 Nov 78 OW

[Text] London, 14 Nov (HSINHUA)--The Chinese vice-premier, Wang Chen, spent this evening with many old friends of China at a reception here given in his honour by the "48 group" of British traders with China. Jack Perry, vice-chairman of the "48 group," said at the reception that the British industrialists and traders were opening their doors to the Chinese and they earnestly wished that they would be of help to China in the realisation of its four modernizations.

Vice-Premier Wang Chen said, "The '48 group' is an old friend of China." "I feel particularly happy to have the opportunity of meeting old friends and renewing friendship with you." He added, "I am also gratified to hear the '48 group' has grown to almost a hundred. This fact gives vivid expression to the development of cordial relations between China and Britain and that trade between us is now moving into new depth and breadth."

The newly appointed British secretary of state for trade, John Smith, and Chinese ambassador to Britain, Ko Hua, attended the reception.

The Chinese vice-premier and his party returned to London this afternoon from Newcastle. This morning they toured the Austin Pickersgill Ltd. A shipyard of the British shipbuilders to the south-east of Newcastle, and visited the International Computers Ltd. in London this afternoon.

Science, Technology Pact Signed

OW152041Y Peking NCNA in English 2016 GMT 15 Nov 78 OW

[Text] London, 15 Nov (HSINHUA)--An agreement on scientific and technological co-operation between the Government of the People's Republic of China and the Government of the United Kingdom of Great Britain and Northern Ireland was signed here today. The agreement was signed on the Chinese side by Wang Chen, vice-premier of the State Council, and on the British side by David Owen, secretary of state for foreign and commonwealth affairs. Liu Hua-ching, vice-minister of the State Science and Technology Committee of China, and Gerald Kaufman, minister of state for industry of Britain, signed on behalf of their respective governments a protocol on scientific and technological co-operation between the two countries.

The agreement stipulates that the two governments shall encourage and develop co-operation in the fields of science and technology on the basis of equality and mutual benefit. They shall promote exchange of visits and study tours by specialised delegations of scientists, scholars, research personnel, specialists and technicians; exchange of students, post-graduates, advanced scholars and trainees, organisation of scientific and technological meetings and symposiums of mutual interest; co-operation in research and development on subjects of mutual interest; exchange of industrial knowledge and technology; exchange of scientific and technological information and data; and other forms of scientific and technological co-operation upon which both sides may agree.

After signing the agreement and protocol, British Secretary of State for Foreign and Commonwealth Affairs David Owen said that the signing of the agreement on scientific and technological co-operation can be considered as a major step for further co-operation and closer relationship between Britain and China in other fields.

Vice-Premier Wang Chen said that he is very happy with the signing of the agreement. Although China and Britain have different social systems, there is much common ground between them. "China is a developing country and we have many things to learn from an advanced country like Britain," he said.

Meets Healey, Owen

OW152211Y Peking NCNA in English 2131 GMT 15 Nov 78 OW

[Text] London, 15 Nov (HSINHUA)--Chinese Vice-Premier Wang Chen had meetings here today separately with Denis Healey, British Chancellor of the Exchequer, and David Owen, secretary of state for foreign and commonwealth affairs. The two sides exchanged views on international problems and bilateral relations. Both sides expressed the desire to see a still closer and more stable relationship between the two countries. Present on the two occasions were Wang Chen's party and Chinese Ambassador Ko Hua.

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Meets Thatcher, Heath

OW160254Y Peking NCNA in English 0231 GMT 16 Nov 78 OW

[Text] London, 15 Nov (HSINHUA)--Chinese Vice-Premier Wang Chen had meetings here today with Margaret Thatcher, leader of the British Conservative Party, and Edward Heath, former British prime minister, on separate occasions. During his meeting with Margaret Thatcher, Wang Chen conveyed to her greetings from Premier Hua Kuo-feng and Vice-Premier Li Hsien-nien. Margaret Thatcher expressed her thanks to the Chinese leaders and asked the Chinese vice-premier to convey her best wishes to them. She also welcomed Vice-Premier Wang Chen on his visit to Britain and recalled the deep impression left by her visit to China.

During the friendly conversation with Edward Heath, Vice-Premier Wang Chen conveyed to him greetings from Premier Hua Kuo-feng and Vice-Premier Teng Hsiao-ping. Edward Heath said the late Premier Chou En-lai once told him about China's Long March. Now China was undertaking a new Long March. With the support of more and more friends, China's new Long March would certainly achieve its aim. He asked Wang Chen to convey his greetings to Premier Hua and Vice-Premier Teng.

Hosts Reciprocal Dinner

OW161004Y Peking NCNA in English 0842 GMT 16 Nov 78 OW

[Text] London, 15 Nov (HSINHUA)--Visiting Chinese Vice-Premier Wang Chen gave a return dinner at the Chinese Embassy here this evening. Among those present at the dinner were Eric Varley, secretary of state for industry; Bruce Millan, secretary of state for Scotland; Lord Peart, Lord Privy seal and leader of the House of Lords; Lord Goronwy-Roberts, minister of state for foreign and commonwealth affairs; and Alan Williams, minister of state for industry.

In his speech at the dinner, Wang Chen expressed his sincere gratitude to the British Government and people for their warm hospitality. "Though our visit to your country is a short one, the friendship of the British people for the Chinese people has left us with an unforgettable memory," he added.

Wang Chen pointed out that the friendly talks he had with British officials "have deepened our conviction that there is no fundamental conflict of vital interests between China and the United Kingdom, and that a broad prospect exists in further strengthening the friendly relations between the two countries and increasing cooperation in trade, science and culture. This is in line with the interests of our two peoples."

Wang Chen said, "Thanks to the arrangements of your government, we have made a number of visits which are rich in content and broad in scope, including the visits to your aircraft industry, shipbuilding industry, as well as some other advanced industrial sectors. We have witnessed the efforts and achievements made by the wise and industrious British people in various fields. Your highly developed industry and agriculture as well as advanced science and technology have deeply impressed us. China is a developing country and her economy is rather backward compared with that of Britain. Many useful experiences of your country are worthwhile for us to learn from. We are determined to bring about the four modernizations. We believe that to introduce into the country advanced technologies and experiences from other countries, including Britain, on the basis of independence and self-reliance will be conducive to the realization of this objective."

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Eric Varley said in his speech at the dinner that the visit of the Chinese Vice-premier was "very positive" both in promoting trade between the United Kingdom and China and in strengthening the friendly relations between the two peoples. The initiative demonstrated and the friendliness showed by Vice-Premier Wang Chen towards Britain in developing Sino-British relations in various fields "have left a lasting impression upon us". The British Government was going to respond and intended to do all it can to follow up the results of the visit, he noted.

Varley said to the Chinese vice-premier that "we are most grateful to you for coming here, and I hope that in the years to come we will look back on your visit as a land-mark of relationship between our two countries. We are very proud that we have won very great benefit from your visit. As a result of your personal initiative, the relationship between our two countries has now become much stronger."

Chinese Ambassador Ko Hua was present at the dinner.

Earlier today, the Chinese vice-premier, accompanied by Air Marshal Sir Christopher Hartley, chairman of the British Hovercraft Corporation, and Sir John Cuckney, chairman of the Port of London Authority, boarded a hovercraft and toured the Thames. After the sightseeing, Wang Chen met with Lord Mayor of London Sir Kenneth Cork and attended a luncheon given by Governor of the Bank of England Gordon Richardson. He also met with Sir Kenneth Keith, chairman of Rolls-Royce Ltd.

NORWEGIAN PETROLEUM MINISTER HOSTS PEKING BANQUET

OW151633Y Peking NCNA in English 1626 GMT 15 Nov 78 OW

[Text] Peking, 15 Nov (HSINHUA)--Norwegian Minister for Petroleum and Energy Bjartmar Gjerde said here this evening that over the past two days he and his Chinese hosts had discussed matters of common interests and other matters "where our two countries have established relations and where we can broaden the cooperation." Addressing a return banquet he gave, Minister Gjerde added that the talks were very successful.

Chinese Minister of Petroleum Industry Sung Chen-ming replied in his toast, "The two sides have fully exchanged views on the contents and manners of cooperation in the field of petroleum. Technical experts from both sides have exchanged relevant information and explored possible areas and projects for cooperation." The positive results achieved would further contribute to the promotion of technical cooperation in the petroleum industry between the two countries, he said.

MIDDLE EAST & AFRICA

NPC VICE CHAIRMAN ULANFU CONTINUES VISIT TO EGYPT

Lays Wreath Before Memorial

OW151653Y Peking NCNA in English 1623 GMT 15 Nov 78 OW

[Text] Cairo 15 Nov (HSINHUA)--Vice-Chairman of the Standing Committee of the National People's Congress of China Ulanfu and his party this morning drove to the unknown soldiers' memorial in Nasr City, eastern Cairo, where they paid tribute to the fallen heroes of the 1973 October war. To the strains of sombre music, Vice-Chairman Ulanfu, accompanied by head of the mission of honour and Minister of State for Military Production Kamal Tawfiq Ahmad Nassar and Chamberlain of the Republican Presidency Nur A. Farghal, walked solemnly to the memorial, laid a wreath and stood in silence in memory of the fallen officers and soldiers.

The 30-metre-high monument, built in the style of a pyramid, stands overlooking the Nile River. On October 6 every year, people come to this monument to commemorate the war dead and a military parade is held close by.

Holds Official Talks

OW152023Y Peking NCNA in English 2001 GMT 15 Nov 78 OW

[Text] Cairo, 15 Nov (HSINHUA)--Vice-Chairman of the Standing Committee of the Chinese National People's Congress Ulanfu and Egyptian Premier Mustafa Khalil held official talks here today. They exchanged views on further development of friendship and cooperation in various fields between China and Egypt and on important international questions of common interest. An atmosphere of friendship and sincerity prevailed over the talks.

During the talks, Vice-Chairman Ulanfu conveyed to Premier Mustafa Khalil regards from Premier Hua Kuo-feng and his invitation for Egyptian premier to visit China at his convenience. Vice-Chairman Ulanfu gave an account of the current excellent situation in China since the smashing of "the gang of four" by the Chinese people under the leadership of the party Central Committee headed by Chairman Hua. Ulanfu reaffirmed China's support for the Egyptian Palestinian and other Arab people in their struggle for the recovery of the occupied land and the restoration of their national rights.

Premier Mustafa Khalil expressed thanks for the invitation and asked Ulanfu to convey his regards to Premier Hua Kuo-feng. The premier gave a brief account of the recent developments in the Middle East situation and the Egyptian stand on Arab unity. He recalled many historical facts to denounce the traitorous acts of superpower hegemonism against the Egyptian, Palestinian and other Arab people. He also expressed thanks to the Chinese Government and people for their support for the just cause of the Arab people.

During the talks, the two leaders expressed satisfaction over the development of the relations between China and Egypt and hoped for their further strengthening. Present at the talks on the Chinese side were Vice-Foreign Minister Ho Ying, Chinese Ambassador to Egypt Yao Kuang, acting Department Director Chou Chueh and Deputy Director Wu Chang-kang. Present on the Egyptian side were Minister of Economy, External Trade and Economic Cooperation Hamid 'Abd al-Latif as-Sayih, Minister of State for Cabinet Affairs and for Local Administration Sulayman Mutawalli Sulayman, Minister for Industry and Mineral Resources 'Abd ar-Rahman 'At Allah, Minister of State for Military Production Kamal Tafiq Ahmad Nassar and Egyptian Ambassador to China Tawfiq and others. Before the talks, Vice-Chairman Ulanfu had paid a courtesy call on Premier Mustafa Khalil at his office.

Meets Egyptian Assembly Speaker

OW152301Y Peking NCNA in English 2146 GMT 15 Nov 78 OW

[Text] Cairo, 15 Nov (HSINHUA)--Ulanfu, vice-chairman of the Standing Committee of the Chinese National People's Congress, and Sufi Abu Talib, speaker of the Egyptian People's Assembly, have both stressed, in their meeting here this afternoon, that closer unity and friendship between China and Egypt conform to the interest of their common struggle against imperialism and hegemonism. Vice-Chairman Ulanfu paid a courtesy call on Speaker Sufi Abu Talib at the Egyptian People's Assembly here this afternoon. The Egyptian speaker greeted the vice-chairman at the entrance of the People's Assembly building. They warmly shook hands with each other.

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Speaker Sufi Abu Talib made a welcoming speech to the vice-chairman in the saloon. The speaker said, the Egyptian people believe that the emergence of China as a strong socialist power on the world scene accords with the interest of the world people. Both Egypt and China have long histories and an ancient civilization. China is a great country and the Chinese nation is a great nation, and so are Egypt and the Arab nation. Their closer unity and friendship are beneficial to their common struggle against imperialism and hegemonism.

Vice-Chairman Ulanfu said that the Egyptian people are an industrious and heroic people. They have scored great achievements in their struggle against hegemonism and for the defence of their national independence. They have set a brilliant example for the world people. Vice-Chairman Ulanfu noted that China and Egypt are two friendly countries. They have long histories and common sufferings and experiences. The development of their relations in various fields has a bright prospect.

After the exchange of speeches, Speaker Sufi Abu Talib introduced to the vice-chairman and his party deputy speaker of the Egyptian People's Assembly Said Ali Said and heads of its various subcommittees. Ulanfu also introduced Chinese Vice Foreign Minister Ho Ying and other members of his party to the speaker. They then went round the People's Assembly building.

Prime Minister Hosts Dinner

OW160236Y Peking NCNA in English 0210 GMT 16 Nov 78 OW

[Excerpts] Cairo, 15 Nov (HSINHUA)--Egyptian Prime Minister Mustafa Khalil, on behalf of Vice-President Husni Mubarak and the Egyptian Government, gave a grand banquet at the Abdin Palace here this evening in honour of the visiting Vice-Chairman Ulanfu of the Standing Committee of the Chinese National People's Congress.

Prime Minister Mustafa Khalil read out a welcoming speech at the banquet on behalf of Vice-President Husni Mubarak. He said, "It is a reason for our pride that friendly People's China--at this momentous turn--is being led by a unique personality, who is capable of pushing China forward to further progress and development in all fields, both at home and abroad and capable of continuing the great Long March that your people started when they revolted against feudalism, exploitation and foreign control. It is the people of your country who have laid a new foundation for dealing with nations, not according to their physical strength and military power, but in light with the unanimity of objectives and principles and the generality in the glorious human struggle."

Mustafa Khalil said that Vice-President Mubarak had an opportunity to visit China and familiarize himself with aspects of the progress achieved by China's revolutionary experiment in all fields for the benefit of the struggling masses that are genuine beneficiaries in every revolutionary change. They are defending valiantly both their own right and that of the Third World nations to live a honourable life, where the big cannot impose their will upon the small, and where relations are not to be based on selfishness, coercion and oppression, but to be based on principles and belief in the inevitability of the triumph of nations' will, whatever big the challenges and obstacles may be.

Prime Minister Khalil said, "Cooperation between our peoples is a marvelous example of genuine solidarity based on principles and the belief in human fraternity."

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"We most appreciatively note that you have never attempted to exercise any pressure on us, or to ask us for a price, but you have been generous, up-right and unprejudiced, considering the essence of relationship, not the profit and loss account," he added.

Prime Minister Khalil requested all participants at the banquet to stand up and extend greetings to Chairman Hua Kuo-feng, to dear guest Comrade Ulanfu and to the great people of China, as well as the brotherly and friendly relations between the two people and the two countries.

Vice-Chairman Ulanfu spoke at the banquet.

Attending the banquet were Vice-Chairman Ulanfu's wife Yun Li-wen, Vice-Minister of Foreign Affairs Ho Ying, Chinese Ambassador to Egypt Yao Kuang and his wife Hsiao Mang, and other members of the vice-chairman's entourage.

Among the over one hundred people attending the banquet were wife of the prime minister Mrs. Mustafa Khalil, Speaker of the People's Assembly Sufi Abu Talib and his wife, Deputy Prime Minister Fikri Makram 'Ubayd, Deputy Prime Minister Hasan Muhammad at-Tu Hamis Chief of the Cabinet of the Presidency Hassan Ahmad Kamil, Chief of Staff of the Armed Forces General Ahmad Badawi Said Ahmad, as well as cabinet ministers and generals.

The banquet hall at the Abdin Palace this evening was glittering under shining chandeliers. The national anthems of Egypt and China were played as the banquet began. Hosts and guests chatted amicably at the banquet amidst merry melodies of Egyptian and Arab music played by a band. The atmosphere at the banquet was a reflection of daily developing Sino-Egyptian friendship.

Text of Ulanfu Speech

NC161000Y Cairo MENA in Arabic 2220 GMT 15 Nov 78 NC

[Text of speech delivered by Vice-Chairman Ulanfu of the Standing Committee of the Chinese National People's Congress at dinner banquet given in his honor in Cairo on 15 November]

[Text] Cairo, 15 November--Your Excellency the prime minister, his esteemed wife and dear friends: We are very happy to come here for a visit to a friendly state--the Arab Republic of Egypt--to convey the sincere friendship which the Chinese people harbor toward the Egyptian people. The visit will give us the opportunity to meet with the esteemed leaders of Egypt (?and to) learn from the fraternal Egyptian people.

You have overwhelmed us with your warm reception and your lavish hospitality since we set foot on the land of your country. The prime minister has just delivered a warm and friendly speech on behalf of Vice President Husni Mubarak. All this has crystallized the feelings of deep friendship which the Egyptian people harbor for the Chinese people and it has deeply moved our hearts.

On behalf of the chairman and premier of the State Council, Hua Kuo-feng, and on behalf of the chairman of the Standing Committee of the National People's Congress Yeh Chien-ying and in the name of the Government of China and its people, I express our heartfelt gratitude and respect for His Excellency President Anwar as-Sadat, His Excellency Vice President Husni Mubarak, His Excellency Prime Minister Mustafa Khalil and the other leaders in the Government of Egypt and People's Assembly.

Egypt is world famous for its ancient history and noble civilization. We learned at a young age that the industrious and intelligent Egyptian people have long ago acquired knowledge in the fields of astrology, chronology and they invented hieroglyphics, which are the most ancient in the world.

They also built the pyramids, which are one of the wonders in the world. They have thus made a very important contribution to human civilization. Moreover, we know that the Egyptian people are distinguished by their glorious tradition of fighting imperialism and colonialism. They have carried out a long heroic struggle against imperialism, colonialism and feudalism and have recently attained their independence and established a glorious (?republic).

In the past 30 years, the Egyptian people bore great national sacrifices by going to war against Israeli Zionism on four occasions together with the other Arab states and the Palestinian people to recover the usurped Arab territories and restore the Palestinian national rights. Especially in recent years, the heroic Egyptian people, under the leadership of President Anwar as-Sadat, waged a resolute and uncompromising struggle against the ambitious hegemonist state superpower to defend their national independence and sovereignty, build up the country and oppose foreign interference, domination and subversion, winning one victory after another. By their dauntless fighting spirit, the Egyptian people have set an example for the peoples of the Third World in their united struggle against hegemonism.

Your struggle and victories have proved that a people who take their fate in their own hands can, by defying brute force and by their boldness and skill in struggle, defeat the superficially strong superpower, foil its strategic plans and defend their independence and sovereignty.

The Government of China and its people rejoice in every victory and achievement of the fraternal Government of Egypt and its people in the struggle against the aggression of Israeli Zionism and hegemonism of the superpower. We sincerely hope that you will score in the coming days new continuous victories along the path of your progress.

The Middle East situation today is a matter that draws the attention of the world and attracts general interest. China's position on the Middle East issue is firm and known to all. We have always maintained that the superpowers' rivalry in the Middle East and their support for and connivance with Israeli Zionism are two important causes of the prolonged turmoil there and the lack of a solution to the Middle East question. One superpower has even now failed to alter its stand of partiality toward Israel. The other superpower tries to perpetuate the state of no-war, no-peace in the Middle East by infusing into Israel a steady stream of human resources for military service and, moreover, is sowing discord and working for a split among the Arab countries by a thousand and on ways and stepping up its interference and subversion in a number of countries. It is no secret to anyone that the state of no-peace, no-war, which has always existed, has caused heavy suffering to the Egyptian people and the other Arab peoples, including the Palestinian people.

The peoples of the world should condemn the actions of the two superpowers. We should only offer our deep sympathy and support for the efforts made by Egypt, the Palestinian people, and the other Arab states to break the no-war, no-peace stalemate and become masters of their own destiny. The struggle being carried out by the Egyptian people and the other Arab peoples, including the Palestinian people, against the aggression of Israeli Zionism and the hegemony of the two superpowers is completely just.

We are happy for any progress or victory achieved in the realization of this noble national aim, represented in the retrieval of the usurped lands and the restoration of the national rights. We shall, as always, stand firm on their side, and shall remain their comrades and colleagues in their struggle against hegemony and Israeli Zionism.

We have always maintained that the most effective means and surest guarantee for achieving their national goals is for the Arab nations to close ranks and act in concert against the enemy. The great Arab nations, strengthening solidarity through friendly consultations, will surely exclude foreign interference and sabotage, surmount all difficulties on their road to progress and win ultimate victory in their fight against aggression.

Friends, the Chinese people are currently engaged in a new Long March under the leadership of the party Central Committee and Chairman Hua Kuo-feng, continuing the expectations of the late great leader, Chairman Mao, and of the respected and beloved premier of the State Council, Chou En-lai, determined to develop China in the course of this century into a socialist state strong and modern in agriculture, industry, national defense, science and technology. We are confident that our people, by mainly depending on their own efforts and learning all foreign modern lessons, will undoubtedly accomplish their glorious great message through hard struggle. In this respect we sincerely thank the Egyptian Government and people for the support and encouragement they gave us.

Friends, China and Egypt are both centuries old states, enjoying glorious struggle traditions. The relations between our two people are old. The Chinese and Egyptian peoples knew about and had contacts with each other more than 2,000 years ago. Today, we are both developing countries belonging to the Third World, our common historical experience and our common tasks today link our peoples together in a deep friendship. Egypt was the first Arab and African country to establish diplomatic relations with China.

In the past 20 years or more since the establishment of diplomatic relations, the ties of amicable cooperation between our countries developed continuously and new horizons were opened for them in recent years due to the joint interest of the leaders in both our countries. The late Chairman Mao and Premier of the State Council Chou En-lai were greatly interested in promoting Sino-Egyptian relations and expressed hope for closer solidarity between them. Premier Chou En-lai paid three visits to Egypt. The party's Central Committee headed by Chairman Hua Kuo-feng in our country and President as-Sadat, the president of your country and the Egyptian Government under his leadership now attach great importance to strengthening and developing the friendly ties between our two countries. I am confident that there are firm bases to further promote the relations of friendship and cooperation between us. This conforms with the wishes of our two peoples and their basic interests. It also conforms completely with the basic interests of the other Arab states and the Third World. I hope that my visit too will make a useful contribution in this direction.

The friendship between the Chinese and Egyptian people will most certainly continue to flow endlessly like the Yangtze and the Nile rivers. It will stand firm notwithstanding the tests of time like the Great Wall and the pyramids.

I suggest a toast for the continued development of the friendship between the Chinese and Egyptian peoples and the relations of amicable cooperation between the two countries; a toast for the victories of the Egyptian people and the other Arab peoples including the Palestinian people in realizing their noble aim; a toast for the prosperity and well-being of the Arab Republic of Egypt and the happiness of its people; a toast for the health of His Excellency President Anwar as-Sadat; a toast for His Excellency Vice President Husni Mubarak and his wife, a toast for the health of His Excellency Prime Minister Mustafa Khalil and his wife, a toast for the health of His Excellency the People's Assembly Speaker Sufi Abu Talib and his wife, a toast for the health of the other leaders in the Government of Egypt and its People's Assembly and a toast for the health of the friends who are present here.

EGYPTIAN VICE PRESIDENT LEAVES FOR TALKS WITH CARTER

OW151649Y Peking NCNA in English 1639 GMT 15 Nov 78 OW

[Text] Cairo, 15 Nov (HSINHUA) --Egyptian Vice-President Husni Mubarak left here today for Washington to talk with U.S. President Jimmy Carter on the Egyptian-Israeli peace negotiations. It was reported that Mubarak was carrying an urgent message from President Anwar as-Sadat to President J. Carter on the latest development in the negotiations.

In a statement before his departure, Mubarak stressed that any Egyptian-Israeli peace treaty would be a part of a comprehensive solution for peace among the parties concerned in the Middle East. He added that the linkage between the Egyptian-Israeli peace treaty and the West Bank of the Jordan River and the Gaza Strip was the basic point in the negotiations. Mubarak said "Gaza was under Egyptian administration before the 1967 aggression. Therefore we have commitments towards it and that is why we concentrate on the Gaza Strip and the West Bank of the Jordan River."

Meanwhile, President as-Sadat told newsmen yesterday that the Washington negotiations were facing obstacles from the Israeli side. "We have reached a turning point in the last few days. We expressed our determination for a peaceful solution. If the other side does not respond in kind, then they will have to face this responsibility before the whole world," he added.

HUA, YEH CHIEN-YING GREET MALDIVIAN PRESIDENT ON ELECTION

OW151252Y Peking NCNA in English 1218 GMT 15 Nov 78 OW

[Text] Peking, 15 Nov (HSINHUA) --Yeh Chien-ying, chairman of the Standing Committee of the National People's Congress of the People's Republic of China, and Hua Kuo-feng, premier of the State Council of the People's Republic of China, yesterday sent a message to Maumoon Abdul Gayoom, president of the Republic of Maldives, greeting his being elected and swearing into office. The message reads:

Upon Your Excellency's auspicious election as the president of Maldives and swearing into office on the tenth anniversary of the founding of the republic, we extend, on behalf of the Chinese Government and people and in our own name, our warm congratulations and good wishes to Your Excellency and the Maldivian Government and people.

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May the Republic of Maldives enjoy prosperity and its people well-being. May the amicable relations and cooperation between China and Maldives and the friendship between the two peoples grow stronger and develop still further.

PEKING BANQUET MARKS PRC TIES WITH MADAGASCAR

OW072120Y Peking NCNA in English 2000 GMT 7 Nov 78 OW

[Text] Peking, 7 Nov (HSINHUA)--Malagasy Ambassador to China and Mrs. Crescent Soloheroy Rakotofiringa hosted a banquet at the embassy here this evening to celebrate the 6th anniversary of the establishment of diplomatic relations between the Democratic Republic of Madagascar and the People's Republic of China. Among the guests at the banquet were Chinese Vice-Foreign Minister Ho Ying and his wife Wang Hao. The hosts and guests joined in hailing Sino-Malagasy friendship in a cordial atmosphere.

Ambassador Rakotofiringa in his toast recalled with pleasure the long history of the friendly intercourse between the Malagasy and Chinese peoples and the development of the friendly relations between the two countries since the establishment of diplomatic relations. "President Didier Ratsiraka's China visit in November 1972, when he was foreign minister of Madagascar, turned a new chapter in the annals of Malagasy-Chinese relations." The ambassador said "These relations have been strengthened and developed harmoniously in line with the common desire of the Malagasy and Chinese people." This was borne out by President Ratsiraka's four visits to China in six years, he added.

Vice-Foreign Minister Ho Ying said that, encouraged by Chairman Mao Tsetung, Premier Chou En-lai and President Ratsiraka, diplomatic relations were formally established between the two countries six years ago. This opened up broad prospects for the development of relations of friendship and cooperation between the two countries. "Learning from and supporting each other over these six years, we have developed our relations satisfactorily." He expressed the belief that with the joint efforts of the two sides the flower of Sino-Malagasy friendship would blossom still more splendidly.

WESTERN HEMISPHERE

CAMBODIAN OFFICIAL IN MEXICO DECRIMS USSR SUPPORT FOR SRV

OW152007Y Peking NCNA in English 1943 GMT 15 Nov 78 OW

[Text] Mexico City, 14 Nov (HSINHUA)--In Nath, head of a visiting Kampuchean Government delegation, pointed out today at a press conference here that the Vietnamese-Soviet treaty of friendship and cooperation is in fact "a military pact of aggression." It clearly demonstrates the Soviet support to Vietnam in pursuing its policy of intensified aggression and annexation of Kampuchea. It lays bare their strategy of seeking regional and world-wide hegemony and poses threat to the independence and peace of the Southeast Asian countries and the whole world.

Before Mexican and foreign journalists, In Nath strongly denounced the war of aggression against his country launched by Vietnam backed by the Soviet Union. He said that Vietnam has always dreamed of occupying Kampuchea and establishing an "Indochina federation" under its domination. The Soviet inter-national expansionists have a global strategy which includes the control of Southeast Asia.

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He also said that Vietnam has been unmasked as Kampuchea's aggressor, an expansionist and a mercenary of the Soviet Union. Vietnam is not a non-aligned country, for the expansionist power has strengthened its naval and missile bases in Vietnam, he added. The peoples and countries of Southeast Asia and of Asia as a whole are well aware of the fact that Vietnam, backed by the Soviet Union, is committing aggression against Kampuchea.

In Nath pointed out that Kampuchea, with an earnest desire to solve problems with Vietnam by peaceful means, has held over a hundred rounds of negotiations with that country. He stressed that the only solution to the conflict between the two countries is an immediate cessation of the aggression on the part of Vietnam.

Delegation Ends Visit

0W160944Y Peking NCNA in English 0702 GMT 16 Nov 78 OW

[Text] Mexico City, 15 Nov (HSINHUA)--The Kampuchean Government delegation led by In Nath, Kampuchean representative to the United Nations, left here today for Peru after paying a friendship visit to Mexico. The Kampuchean delegation called on Mexican Foreign Minister Santiago Roel yesterday and the two sides had a cordial conversation. In Nath explained to the Mexican foreign minister the real cause of the Kampuchean-Vietnamese conflict and denounced the Soviet-backed Vietnamese aggression against Kampuchea, which serves the Soviet expansionist policy in Asia. He also explained Kampuchea's just position on defending its sovereignty, national independence and territorial integrity.

MEXICAN CHAMBER OF DEPUTIES ADOPTS NUCLEAR BILL

0W111530Y Peking NCNA in English 1452 GMT 11 Nov 78 OW

[Text] Mexico City, 10 Nov (HSINHUA)--A nuclear bill adopted by the Mexican Chamber of Deputies yesterday stipulates an exclusive right of the state to explore, study and utilize radioactive materials. The Mexican press reports say that the bill was adopted after the chamber made many amendments to its original text. Most of the deputies held that the document should keep Mexico's nuclear industry free from the interference of the private-interest groups and the transnational companies. Mexico is rich in uranium resources with an estimated deposit of 160,000 to 200,000 tons. The Mexican newspapers stress that the bill is of great importance. The EL DIA notes that the law "is nationalist, patriotic and revolutionary". The NOVEDADES points out in an editorial, "thanks to the adoption of the bill, the nation's interests in radioactive materials have definitively been safeguarded."

BRIEFS

ENVOY'S RECEPTION IN GUYANA--Georgetown, 1 Nov--Chinese Ambassador to Guyana Wang Chan-yuan gave a film reception at the Chinese Embassy this evening in honour of Ptolemy Reid, general secretary of Guyana's People's National Congress and deputy prime minister. Among those attending the reception were Guyana Foreign Minister Rashleigh Jackson and other high-ranking officials. Chow Kee, president of the Chinese Association of Guyana, was also present. A colour documentary film, "Vice-Premier Keng Piao Visiting Guyana," and a Chinese feature film, "New Year Sacrifice," were shown at the reception. [Text] [Peking NCNA in English 1241 GMT 2 Nov 78 OW]

PEOPLE'S DAILY CALLS FOR EFFORTS TO SEEK TRUTH FROM FACTS

OW160730Y Peking NCNA Domestic Service in Chinese 0704 GMT 15 Nov 78 OW

[PEOPLE'S DAILY 15 November Commentator's article: "Seek Truth From Facts, Correct Mistakes Whenever Discovered"]

[Text] Peking, 15 Nov--Since smashing the anti-party clique of the Wang-Chang-Chiang-Yao "gang of four," the party Central Committee headed by Chairman Hua has repeatedly stressed the need to pay attention to implementing the party's policy on cadres. An important question in implementing the party's policy on cadres is to correct trumped-up charges and false cases. In his political report to the 11th National CCP Congress, his report on the work of the government delivered at the Fifth National People's Congress and on various other occasions, Chairman Hua has repeatedly asked us to seriously, conscientiously and properly handle the problems from past screening of cadres. Verdicts should be given as soon as possible on cases about which no decisions have yet been made. All slanders slapped on people by Lin Piao and the "gang of four" must be renounced. Those who were wrongly accused must be exonerated. False cases must be corrected and wrong cases reversed. Totally wrong decisions must be reversed completely, while decisions wrong in part must have such parts corrected. Correct decisions must be maintained. Those rehabilitated individuals able to work must be assigned appropriate work as quickly as possible, while those unable to work for reasons of age or health must be cared for. Chairman Hua has repeatedly stressed Chairman Mao's instruction that cadres are our party's great wealth. We must eliminate the serious consequences caused by Lin Piao and the "gang of four," and completely and correctly implement the party's policy on cadres.

During the past 2 years the entire party has done a great deal of work in this regard. A number of cases in which people were wrongly, falsely and unfairly charged have been reversed. Many comrades ruthlessly persecuted by Lin Piao and the "gang of four" have been exonerated and rehabilitated. Numerous veteran cadres who were once told to "step aside" for a long time have taken jobs. Tremendous achievements have been gained in implementing the policy on cadres. All this has a favorable impact on people throughout the country. Such achievements promote development of work in all fields. Outstanding achievements on this score must be fully reaffirmed.

However, implementation of the policy on cadres and correction of fabricated or incorrectly handled cases remains unbalanced. Some localities have not done their jobs well. In some places "thunder is heard, but there is no rainfall," while some people peer right and left every step of the way, remaining handicapped and passive. In many places only a few general cases have been handled, while a number of cases having great impact on the people have been protracted and are still pending. It should be realized that implementation of the policy on cadres and correction of framed-up or incorrectly handled cases greatly affects the profound development of the struggle to expose and criticize Lin Piao and the "gang of four," involves stability and unity, and influences the enthusiasm of hundreds of millions of people. We must continue to grasp firmly and well this major issue which involves the line and the general situation. We must race against time and strive to achieve our goal as soon as possible.

Only By Seeking Truth From Facts Will It Be Possible To Correct Mistakes Whenever Discovered

Why do some localities implement the policy on cadres well, while others do it not so well, and still others perform very poorly? The key lies in whether or not we are able and whether or not we dare to seek truth from facts.

To seek truth from facts is a fundamental issue in Marxism. It is the quintessence of Mao Tsetung Thought and the most fundamental method which each Communist Party member must be completely familiar with in ideology and in work. Chairman Mao said long ago that communists must "live by relying on their efforts to seek truth from facts." Over the past decades, the revolutionary cause has developed and advanced whenever our party has persisted in seeking truth from facts; the revolutionary cause has suffered setbacks and losses whenever our party has run counter to the practice of seeking truth from facts.

Chairman Mao's policy that "counterrevolutionaries must be eliminated wherever found, mistakes must be corrected whenever discovered" is a policy of seeking truth from facts. Chairman Mao taught us that we must oppose taking our own people for the enemy and magnifying contradictions between ourselves and the enemy to the extent that we take certain contradictions among the people for contradictions with the enemy and regard as counterrevolutionaries persons who actually are not.

To usurp party leadership and state power, Lin Piao and the "gang of four" moved people to "suspect and overthrow everything," concocted the counterrevolutionary political program of "equating veteran cadres with democrats, and democrats with capitalist roaders," and deliberately reversed our relationship with the enemy. Going full steam ahead in practicing idealism and metaphysics and flagrantly trampling on the party principle of seeking truth from facts, they concocted many framed-up charges and false cases. To harm any individual, they could easily trump up all kinds of charges against him. They did not, however, even bother about trumping up charges in labeling people as renegades, special enemy agents, turncoats, counterrevolutionaries and capitalist roaders. "We do not believe you are a good person" was enough to hang a label on any person they wanted to. Investigation meant nothing to them. Verdicts passed on persons on any charges were meted out by "imagination" or by simply "looking into the faces of these persons."

The followers of Lin Piao and the gang openly declared: In ferreting out counterrevolutionaries, your achievement is considered great, if only one out of 100 is a true counterrevolutionary and the 99 others actually are not. This is no different from Chiang Kai-shek's Kuomintang policy toward communists, which called for not letting even one communist escape, even if 1,000 others were wrongfully killed. This was how they took people's lives lightly, including their political lives. When Lin Piao and the "gang of four" ran amuck, tens of thousands of good and excellent cadres, especially leading cadres at central and local levels and backbone elements on various fronts who had followed Chairman Mao for a long time in making revolution, were relentlessly persecuted. Many had nowhere to go to request hearings on their innocence. This was a destructive blow to the party's cadre contingent, as well as to our party and revolutionary cause.

Practice tells us that correcting framed-up charges and false cases has won the support of the people and is to their great satisfaction. Cadres persecuted for a long time on trumped-up accusations consider their exonerations as liberation by the party. They are determined to devote their remaining years to the motherland's four modernizations. The families of cadres persecuted by Lin Piao and the gang are grateful to the party Central Committee and Chairman Hua for removing a weight from their shoulders and curing their internal wounds. The upholding of righteousness and proletarian justice and the restoration of the party's fine traditions and work style have greatly educated and encouraged the masses. They hail this as a victory for Chairman Mao's revolutionary line and the party's policies.

Facts show that many people's enthusiasm can be mobilized by settling a single person's case and that the enthusiasm of millions of people can be mobilized by settling a case involving a group of persons. Many foreign friends also have spoken highly of our seriousness in correcting framed-up charges and false cases. Here they see us "emphasizing socialist democracy and rule by law, curing wounds received from the 'gang of four' during the gang's heyday and uniting all our forces to accomplish the modernizations." Here in China they see the "emergence of an atmosphere of free and frank discussion in our academic circles."

We must understand that adopting a clear-cut, firm political stand and boldly correcting all framed-up charges and false cases is related to whether or not we persistently adhere to a correct line. If we hesitate and worry about implementing the party's cadre policy and if we dare not seek truth from facts and correct mistakes whenever discovered, we are bound to continually tolerate a situation in which there is no distinction between ourselves and the enemy and no difference between truth and falsehood or between right and wrong. How can we then say we have drawn a line of demarcation between ourselves and the counterrevolutionary revisionist line of Lin Piao and the "gang of four", which is left in appearance but right in essence? How can we say that we are firmly implementing Chairman Mao's revolutionary line and the line of the party's 11th national congress?

Facts Are the Fundamental Basis for Implementing Policy

To seek truth from facts requires that we see things as they really are. In judging a cadre's nature and the correctness or incorrectness of cases handled, the fundamental basis lies in facts. Can we cast away facts and base our judgment on something else? No, we cannot. In judging others, we cannot but uphold dialectic materialism and must not practice idealism and metaphysics.

A view exists that verdicts which are documented or already commented on and approved by high-level leaders cannot be touched even if the verdicts were wrong. It is because of this view that some "complex" cases have dragged on for many years and still are not settled. It is not because these cases are complicated that they cannot be straightened out. This view is entirely wrong because it does not proceed from realities but from documents; thus it runs counter to the principle of seeking truth from facts. We should know that documents are subject to tests by practice to determine their correctness or incorrectness. Documents that are not in accord with true facts can be amended or thrown out through legal organizational procedures. Even the party and state constitutions can be revised; why can't incorrect documents be revised? How can we uphold wrong verdicts by using the excuse that they are already documented.

Several paragraphs in the political report to the party's ninth national congress dealt with an "adverse current" that appeared from the winter of 1966 to the spring of 1967. This was the so-called "February adverse current" widely publicized by Lin Piao and the "gang of four." Did not the party Central Committee negate the label "February adverse current" and rehabilitate the comrades involved after a thorough investigation?

As for examination and decision on cases by leading cadres, these are usually made by them on behalf of an organization at a certain level. If mistakes are found in a decision, no matter who made them, any organization at the same level has the right to correct it. This completely conforms with the party constitution and the party's principle of democratic centralism. To begin with, it is not in accord with our organizational principle if a leader's instruction on a case is not discussed by organizations at the same level and not approved afterward, but just the word of an individual is taken. If the instruction is wrong, it should all the more be corrected.

Lin Piao and the "gang of four" were extremely vicious and cunning counterrevolutionary doubledealers who used to hold red flags to oppose the red flag, were skillful in reversing black and white, and played tricks to hoodwink Chairman Mao and the party Central Committee at the upper level and oppress the broad masses at the lower levels. A case of hoodwinking superiors and oppressing subordinates by presenting them with a false report was recently exposed by the press. The report, entitled "Resolutely Implement the Policy of 'Reeducating' Intellectuals and 'Give Them a Way Out!'" was concocted by Chih Chun [former chairman of the Tsinghua University Revolutionary Committee] and others at Tsinghua University in January 1969. Throwing up a banner in a hurry in an attempt to obtain political capital, they tried to legalize the crimes of Lin Piao and the "gang of four" in striking at and persecuting cadres and intellectuals. This report was circulated by Chairman Mao and the party Central Committee.

With the deepening of the struggle to expose and criticize the "gang of four," the truth was brought to light. Should this false report be thrown out and the comrades framed by Chih Chun and his ilk in the report be rehabilitated? Some did not want to reverse the verdicts on the ground of "upholding Chairman Mao's banner." Persisting in being responsible to the party and the people, the reorganized party committee of Tsinghua University mobilized the masses to expose and criticize the crimes of Chih Chun and his ilk in concocting a false report and, with the approval of the next higher party committee, renounced all the false charges against the innocent mentioned in the report and rehabilitated them. Thus the new party university committee has adhered to Chairman Mao's consistent policy toward cadres and intellectuals, persisted in the party's fine tradition of seeking truth from facts--a tradition fostered by Chairman Mao for a long time--and firmly followed Chairman Mao's directive "mistakes must be corrected whenever discovered," thus defending and holding high the great banner of Chairman Mao.

We can be sure that if Chairman Mao were still living, he would personally correct the document when he discovered mistakes. But Chairman Mao is not alive. If we know there are mistakes in the document but do nothing to clarify matters and correct the mistakes, leaving the comrades framed by Chih Chun and others where they are without a chance to defend themselves, expose their sufferings and have their grievances redressed, and allowing the false report concocted by Chih Chun and others to continue spreading its poison throughout the country, then we are certainly not defending Chairman Mao's banner. We can only be doing the opposite.

In fact, even during the Great Cultural Revolution Chairman Mao personally corrected some trumped-up cases created by Lin Piao and the "gang of four" or resulting from their interference and sabotage. The instruction written by Chairman Mao on 17 May 1975 in a report concerning the case of Ho Cheng and Fu Lien-chang was a striking example. Chairman Mao wrote: "A remarkable work should be enjoyed together, and doubts analyzed in company. Ho Cheng is innocent and, of course, should be assigned work. All past slanders and false accusations should be refuted." "Fu Lien-chang was persecuted to death. He must be exonerated. Ho Cheng is lucky to be alive. Fu has already been buried. Alas, it is sad indeed." Here Chairman Mao seriously put forward the correct principle for handling trumped-up cases: "All past slanders and false accusations should be refuted."

Chairman Mao attended the memorial meeting for Comrade Chen I in person--a forceful negation of all the false charges leveled against Comrade Chen I by Lin Piao and the "gang of four." Chairman Mao gave instructions on many occasions to reverse the verdict on Comrade Ho Lung. Chairman Mao personally approved the rehabilitation of comrades Yang Cheng-wu, Yu Li-chin, and Fu Chung-ji. All this showed how Chairman Mao personally set an example by firmly implementing the policy "mistakes must be corrected whenever discovered." He set an example for us to persist in seeking truth from facts.

After the downfall of the "gang of four," Chairman Hua promptly announced that all the slanders and false accusations forced on people by Lin Piao and the "gang of four" should be refuted, thus setting an example of firmly implementing Chairman Mao's policy, "mistakes must be corrected whenever discovered," and of holding aloft Chairman Mao's great banner.

In short, to implement the policy on cadres, we can only use facts as our basis and, in handling each case, we must respect objective facts. After investigation and confirmation of the actual circumstances and analysis and study, all falsehoods and incorrect conclusions and handlings--regardless of the level of organization or the person who made them--must be corrected, based on facts. We must not draw the following line: Cases wrongly handled by low-level organizations and their leading cadres can be corrected, but those by high-level organizations and leading cadres can remain uncorrected. Our party and state never had, do not have and will not have this kind of party discipline and state law.

To Correct Wrongly Handled Cases It Is Necessary To Be Thorough

At present, implementation of the policy on cadres and correction of wrongly handled cases, mainly means correcting the frame-ups, injustices and false accusations of Lin Piao and the "gang of four" or the results of interference and sabotage by their erroneous line. Should we correct the incorrectly handled cases of the past? Can we forbid the correction of cases because they occurred long ago? Can we say that correcting these incorrectly handled cases will negate the achievements of all past political movements?

In his report "On the Correct Handling of Contradictions Among the People," Chairman Mao pointed out: "Whenever mistakes have been discovered in the work of eliminating counter-revolutionaries, steps have been or are being taken to correct them. Those not yet discovered will be corrected as soon as they come to light. Exoneration or rehabilitation should be made as widely known as were the original wrong decisions." "It would not be right to dampen the spirits of the large numbers of cadres and activists involved in the work. Nonetheless, wrongs must be righted when discovered. This must be the attitude of all the public security organs, the procurators' offices and judicial departments, prisons and agencies charged with the reform of criminals through labor." In his 1962 "Talk At An Enlarged Working Conference Convened By the CCP Central Committee," Chairman Mao again pointed out: "There were cases where we too handled some cadres incorrectly, and regardless of whether their handling was completely incorrect or only partially so, after reexamination they should be rehabilitated according to the merits of each case." Counterrevolutionaries must be eliminated wherever found, mistakes must be corrected whenever discovered. This is our party's consistent policy. Whether a case should be corrected depends on whether it was wrongly handled, and how far it should be corrected depends on how far it was wrongly handled. This is the only distinction we can make, and there must be no other distinctions. If we draw a line separating cases that can be corrected because they occurred in a certain period of time and cases that cannot be corrected because they occurred in another period of time, we still would be violating the principle of seeking truth from facts. Therefore, all framed-up and incorrectly handled cases, no matter when they happened, must be corrected whenever discovered.

Recently, in view of the fact that the vast majority of rightist elements, following long periods of education and transformation, have changed and acquitted themselves rather well, the party Central Committee decided to remove the label of rightist elements from all of them. At the same time, with regard to those who should not be classified as rightists but were actually so labeled, even though it occurred 21 years ago, the decision is still to correct the mistake. The party Central Committee headed by Chairman Hua has resolutely carried forward the fine tradition established since the Yenan rectification campaign and set another example for us in seeking truth from facts.

We should know that the longer the framed-up and incorrectly handled cases are allowed to stand, the greater the suffering will be for the wronged and victimized comrades, and the heavier the political burden will become for their families and children. Leading comrades at various levels should put themselves in their position and think from their point of view: If you were wrongly handled, your case dragged on for many years and even your family and children involved, do you or do you not demand a reversal of your case? Do you hope that your case can be reversed soon? Which way can your enthusiasm be brought into play--reverse your case on the basis of facts, or make the best of the mistake instead of correcting it? As to those who feel that correcting the incorrectly handled cases in the Great Cultural Revolution means negating the achievements of the Great Cultural Revolution and that correcting the incorrectly handled cases in past political movements means negating the achievements of those movements, they are entirely wrong. We should see that under the leadership of the party Central Committee headed by Chairman Mao, the principal aspect of all the past political movements was good. But, mainly due to interference by the erroneous line, some wrongly handled cases indeed occurred in some of the movements. If we ignore the facts and cling to our mistakes, we can only paint a dark picture of all the past political movements, that is not defending the achievements made under the guidance of Chairman Mao's revolutionary line, but rather protecting the evil consequences caused by the erroneous line.

This article has mainly discussed the question of implementing the policy toward cadres and correcting the wrongly handled cases among cadres. Lin Piao and the "gang of four" pushed a false left and real right counterrevolutionary revisionist line. As a result, not only a large number of cadres but also a large number of intellectuals, revolutionary young people, and the masses of workers and peasants, including some veteran heroes and models, were attacked and persecuted. The question of reversing cases among the masses should not be neglected either. The framed-up and incorrectly handled cases among the masses also must be checked carefully and corrected on the basis of facts.

"Correcting mistakes whenever discovered" does not mean mistakes should be left uncorrected or that they can be corrected, but that mistakes must be corrected. It does not call for correcting wrong charges against some people without correcting wrong charges against others. Party committees at all levels must not adopt a wait-and-see attitude, be brave in the beginning but weak in the end, make perfunctory efforts or leave it to higher levels to handle contradictions whenever they confront them. Rather, they must make determined efforts to carry out the work of implementing policy and of correcting wrong cases through to the end. Of course, it is necessary to take actual conditions into consideration and handle the work by following priorities so that the work is done systematically and in a planned way. This will insure that things are handled more properly and with greater efficiency and result. As long as we clearly explain the hows and whys, victimized cadres and masses, who can be reasoned with, will offer their understanding, support and cooperation.

The CCP, armed with Marxism-Leninism-Mao Tsetung Thought, is a party known for its serious attitude. Our party's only purpose is to serve the people wholeheartedly. Aside from the interests of the proletariat and the masses, our party has no private interests, nor does it seek any. For this reason, our party is able to persist in whatever is in the public interest and to correct mistakes also in the interests of the public. We are clearly aware that the existence of classes and class struggle and interference by erroneous lines may result in some false charges. In addition, some false charges may also be caused by the gap between man's subjective perception and objective reality and by shortcomings in man's thinking and work style such as subjectiveness, one-sidedness, carelessness, partiality in what he sees or believes, his tendency of being carried away by personal feelings, and so forth.

But we must always adhere to the principle of "correcting mistakes whenever discovered" in handling wrong cases, no matter what the circumstances. This in itself demonstrates that our party is a thoroughgoing materialist party which is selfless, open and aboveboard. This is a manifestation of the strength of our party.

The party Central Committee headed by Chairman Hua is leading the 30 million and more party members and the 800 million people of all nationalities in carrying out the historic, new Long March. We have a heavy burden to bear and a long road to travel before we can build China into a powerful and modern socialist country by the end of this century. We need to mobilize all positive factors, primarily the positive factors among cadres. After the line is set, it is up to the cadres to play the decisive role. Only when the initiative of the cadres is fully mobilized is it possible to successfully mobilize and organize the masses to implement the line of the 11th National CCP Congress and fulfill the general task for the new period.

We must pay great attention to implementing the party's policy on cadres. Next year will be the 30th founding anniversary of the great PRC--a year of crucial importance for achieving great success within 3 years in grasping the key link and running the country well. We must strive to have the work of implementing the policy on cadres basically completed by first half of next year--the sooner the better. This is a great task which entails the handling of many things. It won't do to rely only on individual departments, or on a few people to carry out the tasks. Handling the cases requires efforts by everyone and by the whole party. Party and government units at and above the county level or its equivalent, including mass organizations and industrial and communications, finance and trade, cultural and education, science and technology, public health and sports units, should all get mobilized to handle cases. High-level leading organs in particular should combine the general call with specific guidance and their leaders should personally get involved in the solving of some long-standing, great and difficult cases. They should set examples for those at lower levels in daring to uphold principles and eliminate chaos and restore order, in going deep into reality to carry out investigation and study, and in seeking truth from facts. We are confident that, if everyone acts in this way, the work of implementing policy and correcting wrong cases will surely be carried out well and as quickly as possible under the leadership of the party Central Committee headed by Chairman Hua.

KWANGMING DAILY REPUDIATES YAO WEN-YUAN'S 1968 ARTICLE

OW151311Y Tokyo KYODO in English 1245 GMT 15 Nov 78 OW

[Text] Peking, 15 Nov (KYODO)--The Peking KWANGMING DAILY Wednesday carried a signed article totally repudiating a controversial 1965 article which reportedly touched off the Great Cultural Revolution.

The 1965 article was written by former Politburo member Yao Wen-yuan, one of the purged "gang of four" radicals. Originally published in the Shanghai paper WEN HUI PAO, it attacked Wu Han, a playwright and then deputy mayor of Peking. Later officially described as having triggered the Cultural Revolution, the criticism is said to have been published at the request of the late Chairman Mao Tsetung himself.

Yao attacked an original historical drama by Wu Han as a work aimed at supporting former Defense Minister Peng Te-huai. Peng had fallen from power after clashing with Chairman Mao at the 1958 Lushan Conference.

Judging from the past entanglement between the original historical drama and Yao's critical article, China watchers believed that Wednesday's critical article and repudiation in KWANGMING DAILY might signal a future reassessment of Chairman Mao himself as part of the current Chinese campaign reviewing Mao's teachings. This also might lead to a possible rehabilitation of former Defense Minister Peng, the watchers added.

The 1965 article by Yao was also the signal for attacking the policy line which then head of state Liu Shao-chi and then party General Secretary Teng Hsiao-ping were trying to carry out around 1961.

Wednesday's article repudiating Yao, which was signed by Su Shuang-qi, charged that Yao's article led to the formation of the purged "gang"--Chairman Mao's widow Chiang Ching, former Vice Premier Chang Chun-chiao and Yao himself. The last member of the "gang of four" was former party Vice Chairman Wang Hung-wen. It censured Yao's article as having touched off the "gang's" attempt to grab party leadership. It categorically repudiated Yao's criticism and defended the original historical drama, indirectly supporting many Chinese who were arrested during the past nationwide campaign against Confucius, the late General Lin Piao and the 1976 Tienanmen riot in Peking.

Also on Wednesday, Radio Peking reported the party central leadership had decided to completely rehabilitate more than 100,000 Chinese who had been disgraced in the 1957 anti-rightist campaign.

The PEOPLE'S DAILY frontpaged the party's decision in its Wednesday edition. In an editorial commentary, the paper stressed that all positive elements should be mobilized to carry out the four-point current state modernization plan. It said China should complete the present policy about party and government leaders, including the correction of past wrong decisions, by the end of the first half of next year.

Those who were rehabilitated under the party decision included the late Chen I, former vice premier and former minister, and the late Ho Lung, former vice premier. They also included Yang Chen-wu, currently deputy chief of the General Staff of the People's Liberation Army, and Ho Cheng, deputy director of the General Logistics Department of the army.

AFP Report

0W161034Y Hong Kong AFP in English 0916 GMT 16 Nov 78 0W

[By Georges Biannic]

[Excerpt] Peking, 16 Nov (AFP)--China has taken a fundamental step toward "de-Maoisation" with a major press attack on the Cultural Revolution and its consequences.

The intellectual KWANGMING DAILY and the Communist Party newspaper PEOPLE'S DAILY both attacked the Cultural Revolution without actually naming it. They called for the revision of all "false trials" and "wrong verdicts" before and during the movement, including "long ago ones which had much influence" and were "examined by a certain top leader".

Reading between the lines of these two articles, observers saw not only the rehabilitation of former Peking Mayor Peng Chen and numerous others denounced during the Cultural Revolution but also that of former Defence Minister Marshal Peng Te-huai. The two texts constitute a drastic reappraisal of the role of the late Chairman Mao Tsetung.

The KWANGMING DAILY article yesterday launched its criticism of the Cultural Revolution by denouncing a famous article by journalist Yao Wen-yuan (future member of the disgraced gang of four). His commentary on the historical play, "Hai Jui Dismissed From Office" signalled the beginning of the great Red Guard movement on November 10, 1965. The KWANGMING DAILY said the time had come to criticize that article which raised "very important" questions and had been "the counter-revolutionary signal for a fascist ideological dictatorship".

The fact that the article in question had the personal support of Chairman Mao shows the importance of this attack.

The criticism of Yao Wen-yuan's article was signed Su Shuang-pi. He wrote that the denunciation of the "Hai Jui" play and of its author (historian and Deputy Mayor of Peking Wu Han, the first in a long line of people who lost their jobs) was aimed at attacking the "courageous character" of "honest officials" like Hai Jui.

Hai Jui was a righteous judge who had dared criticize Emperor Chia Ming in 1569. The dismissal of Hai Jui has often been associated in China with that of Marshal Peng Te-huai, who lost his post as defence minister in 1959 for having criticized Chairman Mao's policy at the Lushan party conference.

However, the question of Peng Te-huai is not brought up in this article in which the author said he would raise only three of the "very important" points that emerged from Yao Wen-yuan's commentary. If Peng Te-huai were to be rehabilitated, even though he was still being criticised in August, it would be a posthumous rehabilitation as it is thought certain in Chinese military circles that he is dead.

The KWANGMING DAILY said Yao Wen-yuan's article was written in liaison with Chiang Ching and Chang Chun-chiao, two other future "gang of four" members, and described it as a "big political conspiracy" that was "a great disaster for intellectuals".

The paper called for re-examination case by case of everybody who had been criticized at the time in connection with the play. Observers immediately thought of the author of the play, Deputy Mayor Wu Han, and former Mayor Peng Chen whose administration of Peking was recently "rehabilitated".

Shanghai Radio Report

OW160153Y Shanghai City Service in Mandarin 0000 GMT 16 Nov 78 OW

[Text] WEN HUI PAO on page three today reprints an article by (Su Sheng-pi), originally carried in the 15 November KWANGMING DAILY, entitled: "Remarks on Yao Wen-yuan's Comment on the New Historical Drama 'Hai Jui Dismissed From Office!'" The article points out: This sinister article by Yao Wen-yuan is the reactionary sign of the practice of the gang of four in exercising fascist dictatorship in the ideological realm. It establishes a vicious precedent for history by innuendo and vigorously prepares public opinion for the gang of four's fabricating wrong cases. So far as Yao Wen-yuan is concerned, this sinister article forms the cornerstone for his rapid climb up the social ladder.

The article says in conclusion: The pernicious influence of this sinister article "Yao Wen-yuan's comment on the New Historical Drama 'Hai Jui Dismissed From Office!'" is deep and widespread. We need to penetratingly and thoroughly criticize it.

I. 16 Nov 78

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PRC
NATIONAL AFFAIRS

PEKING CCP COMMITTEE APPROVES MASSES' ACTIONS AT TIENANMEN

OW151334Y Peking NCNA in English 1256 GMT 15 Nov 78 OW

[Text] Peking, 15 Nov (HSINHUA)--The masses' actions honouring the memory of their beloved Premier Chou En-lai and denouncing the gang of four at Tienanmen Square in early April 1976 were completely revolutionary. This was declared by the Peking Municipal Committee of the Chinese Communist Party at a recent enlarged meeting of its Standing Committee.

It was announced at the meeting: Large number of people went to Tienanmen Square to honour the memory of our respected Premier Chou En-lai at the traditional Chingming Festival in 1976. They did this to demonstrate their boundless love for the premier, honour his memory and express their deep mourning, and also out of deep hatred for the damage the gang of four brought to the country and the people. This conveyed the feelings of the hundreds of millions of people all over the country. The masses' actions deeply mourning the death of our respected Premier Chou En-lai and indignantly denouncing the gang of four were completely revolutionary. All those comrades who were persecuted for honouring the memory of Premier Chou and opposing the gang of four should be rehabilitated.

ARTICLE DISCUSSES FORBIDDEN AREAS ON POLITICAL-JUDICIAL FRONT

HK150754Y Peking PEOPLE'S DAILY in Chinese 7 Nov 78 p 3 HK

[Article by Wang Kuei-wu [3769 2710 0065]: "People on the Political-Judicial Front Must Also Break Through the Forbidden Zone"]

[Excerpts] The present debate on "practice is the only criterion of truth" in the newspapers has smashed some of the forbidden areas with the momentum of an avalanche and brought new hope to ideological and theoretical circles as well as to social life. The political and judicial front is evidently quieter than the whole of the ideological and theoretical front. Can it be there is no forbidden area on the political and judicial front that must be broken through? Naturally that is not so! For example, for a long time they have avoided mentioning such things on the political and judicial front as "all are equal in the application of the law," "judge independently and submit only to the law," and the role of the law in handling the two kinds of contradiction in society (they can only discuss the handling of contradictions between the enemy and ourselves but not the internal contradictions among the people). They avoided mentioning such things from "general supervision" to "opposition to breaking the law and violating discipline," "the barrister system," "revolutionary humanitarianism" and even such things as "the regular legal system," "the legal system is not comprehensive" and "no law to follow." Just these examples are sufficient to show that there are definitely many forbidden areas on the political and judicial front.

There not only exist forbidden areas on the political and judicial front, but they have been there for a long time. They were already well developed back in the fifties, but when Lin Piao and the "gang of four" ran wild, they maliciously developed these areas to manufacture many unjust, false and wrong cases.

Still another extremely unusual phenomenon of the forbidden areas on the political and judicial front is that things explicitly stipulated by law became forbidden areas. For example, the law explicitly stipulated that "all citizens regardless of nationality, race, sex, profession, social background, religious belief, education, financial standing or period of residence are equal in the application of the law." [paragraph continues]

However, for a certain time, this became a forbidden area and it was wrong and even sinful to talk about it. They maintained that this kind of presentation "has no class viewpoint," and "permits counterrevolutionaries and revolutionaries all to be equal." This is purely a misinterpretation or a distortion. The true purpose of this law is to oppose the ideology of the privileged class and privileged position. It will not permit anyone to place himself outside the law or set himself above the law. Whosoever breaks the law must be punished according to law.

Because some people had long ago set up forbidden areas on the ideological and judicial front and since these forbidden areas were so suited to the needs of Lin Piao and the "gang of four," they therefore took them over for their use and development. They even kept some of them intact as reasons and bases for smashing the judicial and public security organs. For example, in the past some of our comrades condemned the work of making warrant arrests (officially approved arrests) and filing indictments as "looking for ways" to "fetter the hands and feet of dictatorship." The "gang of four" and their remnant followers described the work of making warrant arrests and filing indictments as "interfering with the struggle against the enemy." In the past, some of our comrades censured the opposition for breaking the law and violating discipline as "pointing the spearhead inward," and the "gang of four" and their remnant followers also made the same charge without changing a single word. In the past, some of our comrades censured practicing revolutionary humanitarianism on criminals as "speaking in defense of criminals." The "gang of four" and their remnant followers on the other hand distorted the supervision of reform through labor as "class capitulation." Practice is the only criterion of truth. In these forbidden areas of political and judicial work of the past, it is not abundantly clear who actually benefited and whether the big stick had landed on the bourgeoisie or the proletariat.

In spite of examination through practice and the drawing of the line of distinction between right and wrong, some comrades are still awe-stricken by the sight of these forbidden areas and are afraid to transgress the bounds. We must, in accordance with Chairman Hua's instruction, "further emancipate our minds, act more boldly, devise more means and quicken our steps." We ~~must~~ be resolute and go all out and have the courage to free our minds and break through these forbidden areas. Only thus can we open up a new situation on the political and judicial front and continue to achieve new successes.

RED FLAG URGES SOCIALIST DEMOCRACY IN ENTERPRISES

OW151451Y Peking Domestic Service in Mandarin 2140 GMT 13 Nov 78 OW

[Excerpts of contributing Commentator's article in RED FLAG No 11 of 1978: "Carry Forward Socialist Democracy in Enterprises"]

[Text] China's Ninth National Trade Union Congress has triumphantly ended. In line with the instructions issued by the party Central Committee headed by Chairman Hua, the congress clearly pointed out that it is necessary to regard the practice of educating workers to take part in enterprise management and fully guaranteeing the workers' democratic rights as masters of the country [tang chia tso chu 3981 1367 0155 0031] as a major task for the workers movement in the new period of development. To firmly implement this important guideline set by the congress will definitely help in promoting the development of China's workers movement and speeding up the four modernizations. In order to fulfill the general task in the new period of development, our enterprises must carry out democratic management without exception and insure that workers enjoy their democratic rights as masters of the country. We must fully realize the significance of this issue.

Our nation is a socialist nation under the dictatorship of the proletariat. China's working class is the country's leading class, and the workers are the masters of its enterprises. Fundamentally speaking, the practice of carrying out democratic management in all enterprises with the workers' participation is determined by our country's nature and the status of the working class. Therefore, whether or not we give full play to socialist democracy in enterprises and insure the workers' rights as masters of the country concerns in fact the major question of whether or not we can consolidate the dictatorship of the proletariat and the socialist system. On this question, Chairman Mao pointedly said: We should not interpret people's rights as only the benefits people enjoy under the management of some other individuals, in labor, education, social insurance and in other fields. The workers' right to take part in the management of the state, various enterprises and in the fields of culture and education is their greatest and most fundamental right under the socialist system. To insure this right, the key lies in initiating efforts from the basic-level units up, such as from factories and stores, and in conscientiously applying democratic management there. Only by guaranteeing the workers' democratic rights as master of the country can we whip up the enthusiasm of the broad masses of workers. The great revolution of the four modernizations which we are engaged in at present is a common cause for hundreds of millions of people. The broad masses of workers have shown tremendous enthusiasm in pursuing this cause. Naturally we will have to carry out our ideological and organizational work penetratingly and meticulously in order to bring into full play the wisdom and creativeness of the broad masses of workers. But, more important, leading comrades of an enterprise must wholeheartedly rely on the working class, and allow them to truly exercise their rights as masters of the country.

The experience of many units also shows that the more democratic rights the workers enjoy, the stronger their sense of responsibility becomes as masters of the country. On the other hand, when workers' rights as masters of the country are not fully guaranteed, when their criticisms and suggestions are ignored or they are merely treated as hired hands, their enthusiasm and creativeness will decrease. This is an important lesson and experience which we have gained in the past few years.

Only by encouraging workers to take part in enterprise management can we effectively combat bureaucracy, prevent revisionism and firmly follow the socialist orientation of enterprises. In the past few years Lin Piao and the gang of four not only undermined centralized leadership and management, but also destroyed the system of democratic management in various enterprises. They also peddled many feudal and fascist absurdities. To this date, in some enterprises their pernicious influence still exists and party principles and policies are not being well implemented. In some units bureaucracy and subjectivism prevail to a serious degree while in other units practices of coercion and commandism still exist. In some units, acts violating state laws and party discipline as well as illegal practices of embezzlement, corruption and theft are not timely exposed. To solve these problems, the most effective method is to carry out democratic management and exercise mass supervision. Having fought on the forefront of the three great revolutionary struggles, the workers have gained a rich experience. They understand the situation in enterprises best, and they are the most concerned with the development of these enterprises.

Only by organizing the workers to take part in enterprise management and creating conditions for them so that they dare and are willing to speak, particularly so that their remarks are put to good use, can we effectively solve these problems. With the masses' supervision, party policies and principles will be well implemented and the socialist orientation of enterprises will be insured.

Bringing into play socialist democracy in enterprises does not mean that centralism is not needed, nor that anarchism or extreme democracy is being exercised. As Chairman Mao put it, without a high degree of democracy we cannot have a high degree of centralism; without a high degree of centralism we cannot establish a socialist economy. Thus, only if there is a high degree of democracy will there be a high degree of centralism. Only by linking it with democratic management can an enterprise's centralized leadership have the sincere support of the masses of workers, establish a high degree of authority, effectively overcome the currently prevailing situation of lack of responsible personnel, and organize production in a normal, systematic and civilized [wen ming 2429 2494] way.

To bring democracy into full play and bring into play the enthusiasm of the masses of workers as masters of the country, a socialist enterprise must have the necessary conditions and system to insure that the masses of workers effectively take part in enterprise management and supervise cadres. From the experience gained in carrying out democratic management at enterprises since the founding of the PRC, it is evident that the holding of workers congresses and workers meetings is a good way to develop democracy at enterprises, supervise cadres and run enterprises well by relying on the masses. The CCP Central Committee's draft decision on some problems in quickening the pace of industrial development regards this as one of the fundamental steps in running enterprises. A workers congress should bring democracy into full play, enable everyone to speak and boldly arouse the masses to put forth their views, criticisms and suggestions; it should neither exercise formalism nor regard itself as a voting machine. We must conscientiously persist in this method, effectively develop its role and at the same time pay attention to summing up and absorbing new experiences so as to gradually establish a complete set of methods to effectively carry out the democratic management of enterprises.

The party Central Committee headed by Chairman Hua grants the masses of workers full rights as masters of the country. These rights must be defended earnestly. In the future, all important problems of an enterprise must be discussed at a workers congress or meeting; its leading cadres should report their work to the workers, listen to their views and accept their supervision; the heads of workshops, sections, shifts and teams should be elected by the masses; and the executive members of a workers congress and a trade union organization should periodically go to work at the enterprise. He should offer criticisms and proposals, have the right to propose to the upper-level unit to punish or dismiss leading and administrative personnel who make serious mistakes or whose work style is poor, and have the responsibility to propose to the higher-level unit to commend and award outstanding leading cadres of the party, (? enterprise), trade union and league. Only by doing so can the masses of workers take effective part in enterprise management and supervise cadres. No one can violate these workers' democratic rights.

It is necessary to uphold the workers congress system. Whether this system can be upheld hinges on whether leading personnel of enterprises truly support the idea of wholeheartedly relying on the working class. Unless the leading cadres of our enterprises regard the masses as masters of the country and show respect for the workers' right as masters of the country we cannot carry forward democracy in our enterprises in a down-to-earth way, and any system or measure, no matter how effective it may be, will merely become a formality which exists in name only. Leading cadres of every enterprise must deal with this question in all earnestness.

We must realize that there still are some people who think that only the leading personnel are outstanding and that the masses can only take orders from this handful of leading personnel and have no right to question them. They have actually come to see the masses as nothing but mercenary laborers. This is a reflection of the bourgeois ideology or the feudal patriarchal ideology--an ideology which not only is incompatible with the nature of our socialist enterprises but also becomes increasingly inapplicable with each passing day and must therefore be resolutely overcome.

In order to carry forward democracy in our enterprises, safeguard the workers' democratic rights and give fuller play to the workers' enthusiasm as masters of the country, it is necessary to establish a regular functioning body. Simply having general directives is not enough to arouse the workers' enthusiasm as masters of the country and to organize and make use of their enthusiasm to carry out all kinds of activities in our enterprises with still better results. To this end, a great deal of ideological and organizational work must be done first. For instance, what problems exist in our enterprises? What are the masses' opinions? What are the solutions? Therefore, personnel must be assigned to conduct investigations and study so as to lay the groundwork for holding successful workers congresses. Meanwhile, personnel must also be assigned to organize the worker masses to implement the decisions adopted at the workers congress and to examine and supervise whether the masses' correct opinions and demands are accepted and carried out. Who are supposed to carry out all these thorough and complicated tasks? Naturally this is the responsibility of the trade union, the mass organization of the working class.

In his speech at the Ninth National Congress of the All-China Federation of Trade Unions, Vice Premier Teng Hsiao-ping explicitly pointed out: "The trade union will be the functioning body of the workers congress. The effectiveness or ineffectiveness of trade union work affects the workers in exercising their rights as masters of the country; it also affects management and the smooth exercise of centralized leadership in an enterprise." This reflects a deep thrust and is an important assignment entrusted to trade unions by our party. All trade unions must vigorously shoulder this responsibility.

The fundamental interest of leadership and the masses in an enterprise is identical. Therefore, the duty of the trade union and enterprise administration is also identical. The trade union's purpose in arousing and organizing the masses of workers to participate in enterprise management, put forward their criticisms and opinions, and carry out necessary supervision over enterprise work is to provide the enterprise administration with assistance and cooperation in running the enterprises well together. The trade union should frequently educate the masses of workers to safeguard a highly centralized administrative leadership in the enterprise and the full authority of the production command system, and to pay special attention to all fields of work, strictly observe labor discipline, consciously implement all rules and regulations, and sincerely protect state property with the attitude of masters of the country. It is necessary to mobilize the masses to practice economy, be very accurate in calculations, protect public property and do a good job in economic accounting. Efforts should be made to organize the masses to carry out technical innovation and technical revolution, do a good job in training staff personnel and workers, and to raise still higher the scientific and cultural level of staff personnel and workers. It is also necessary to rely on the masses of workers to do an even better job in labor protection, insure safety in production and improve working conditions so that production can be carried out under civilized conditions. Simultaneously with paying attention to worker's living conditions, efforts should be made to do a good job in the collective welfare of workers and further improve the workers' material and cultural standards.

Because classes and class struggle still exist in our socialist society, it is possible that bad elements may once again sneak into our enterprises and some of our cadres may adopt bad bureaucratic practices. This is an inevitable phenomenon in the process of proletarian dictatorship. Therefore, trade unions must shoulder the task of organizing the masses of workers to wage struggle against bureaucratism and against bad elements and bad deeds of all descriptions.

The trade unions should not remain indifferent or show sign of fear wherever the state interest suffers damage, party policies are undermined and the workers' democratic rights and vital interest are violated. The trade unions must unite and lead the masses of workers to wage a resolute struggle against all these activities.

In order to do a good job in carrying out these tasks, the trade unions should plunge deeply into the masses. Only by maintaining the closest ties with the broad masses of workers, thoroughly familiarizing themselves with the thinking and life of the workers, fully understanding their opinions and aspirations, and thoroughly analyzing and studying them can trade unions truly become representatives of the masses of workers and grasp all their correct opinions.

The trade unions must emancipate their own minds, put daring above everything else, and be bold in reporting true conditions to the party and administrative leadership. The trade unions must also dare to support those opinions of the masses that are correct and to make the masses understand whenever their opinions and demands are incorrect. The leading cadres of trade unions must be models of democratic procedure themselves, consciously place themselves under the masses' supervision and constantly listen to the masses' opinions.

Only by acting to meet these requirements can trade unions become the workers' trusted organizations which can speak and function for the workers and win the trust and support of the masses of workers. This will further arouse the masses' enthusiasm and push forward the development of the four modernizations in greater strides.

LITERARY JOURNALS SPONSOR CONFERENCE FOR EDITORS

OW141312Y Peking NCNA in English 1231 GMT 14 Nov 78 OW

[Text] Peking, 14 Nov (HSINHUA)--Mao Tun, chairman of the Chinese Writers Union, stresses that "the masses are the judges of art and literature." "It is the social effect of a novel or a play that marks success or failure," he added. Mao Tun wrote this for a recent editors' conference held by the major literary journals WEN I PAO, PEOPLE'S LITERATURE and POETRY.

Forty influential writers, poets, critics, editors, publishers, translators and research directors attended the conference. The conference focused on democracy in art and literature, integrating Marxist theory and practice, the role of art and literature in China's socialist modernization, and the necessity for literary journals to give a voice to the people.

"China is experiencing a Marxist ideological emancipation movement," said literary critic Chang Kuang-nien, secretary of the Chinese Writers Union. "Lin Piao and the gang of four manipulated people's high esteem for revolutionary leaders in order to advocate a blind faith that verged on superstition. They tore Mao Tsetung Thought into scraps to fool the people. The Cultural Revolution has brought out true values. That which is genuine, good and beautiful is held up in contrast to that which is sham. For a time there seemed to be no way of telling the difference, but people finally see Marxism-Leninism-Mao Tsetung Thought in its full sense and have learned to defend it as an integrated whole," he said.

Vice-Minister of Culture Lin Mo-han, who is also a literary critic, pointed out that to seek truth from facts and practise democracy in literature and art, meant creating "from the truth of life" and letting "a hundred flowers blossom and a hundred schools of thought contend." "The greatest harm the gang of four ever did to literature and art was to cut it off from the source of life and to deny it freedom of creation.

"Chinese society had been ruled by Confucianism and by religious dogma. When these could no longer hold back the people, there were men who resorted to turning Marxism-Mao Tsetung Thought into a kind of sacred dogma. Since all careerists had to carry a signboard, Lin Piao and the gang of four strove to make a god out of a great revolutionary leader so that they could inherit the role, he said.

The youngest of the WEN I PAO editors, a school teacher Li Chun-kuang, who in 1975 put up a poster to expose the gang of four, suggested that criticism alone, and not punishment, should be used to settle ideological and artistic rights and wrongs, that elected arts advisory committees should have the authority to direct creative activities. He advocated mass education aimed at upholding a democratic spirit, so that people would have faith in their own strength, and not rely on what he termed "good officials".

Chairman Mao's guiding principle that art and literature must serve workers, peasants and soldiers meant that writers and artists had to make efforts to understand the changes in those they served, said prose writer Lin Pai-yu, director of the Department of Culture of the People's Liberation Army. He said that for example, the Yenan soldiers of the thirties to the forties had suffered personally the cruelty of class exploitation and had not learned to read and write until they joined the army. Today's soldiers were born in a socialist society, and many were high school graduates, students of modern science, anxious to know more about the world. "Our writers must learn to serve the new soldiers and answer their questions," he said.

Poet Li Chi, chief editor of PEOPLE'S LITERATURE which is sold in 36 countries and which will have a circulation of one million by next January, reported to the conference on the activities of the 200 writers and poets who set out last month for Taching and a dozen industrial enterprises to collect material. Workers everywhere had given them a warm welcome. "There is a nationwide movement of writers going out among industrial and science workers to observe new conditions and people taking part in China's campaign for socialist modernization," Li Chi said. "Our writers are learning."

Ko Yen, new deputy chief editor of POETRY, said: "Art and literature must never conceal truth in life, but they must show people the right way to live. We have heroes who, despite the traumas they had suffered, fought the gang to the point of victory. Our literature ought to portray these heroes of our times, show the power of the people and inspire the masses to go forward." Many speakers agreed with her, adding that the people of Peking's spontaneous fight against the gang of four in April 1976 at Tienanmen Square was in itself a testimony to this power.

Hsieh Ping-hsin now over 80 years old, and who is famous for her letters to children which she began in the early twenties, urged writers "to bring moral strength to today's younger generation and to clear away from their minds the debris left by the gang. Today's youth will rule the country 20 years from now, and modern technology alone cannot make a socialist China," she said.

Veteran poets Tsang Ko-chia and Tien Chien stressed that art and literature ought to play their role in the field of ideology in preparing for a new era, and that journals should support strongly the blossoming of a hundred flowers. They should help new writers to advance, devote more space to readers' opinions, and should speak up on behalf of ordinary people.

I. 16 Nov 78

PEOPLE'S REPUBLIC OF CHINA
EAST REGION

G 1

PENG CHUNG WATCHES DRAMA 'WHEN SILENCE PREVAILS'

OW100414Y Shanghai City Service in Mandarin 0000 GMT 8 Nov 78 OW

[Text] On the evening of 7 November, "When Silence Prevails"--a drama performed by the spare-time drama group of the Shanghai Workers' Cultural Palace and televised by the Shanghai television station--was relayed nationwide by the central television station.

Peng Chung, third secretary of the Shanghai Municipal CCP Committee, and other leading comrades of the municipal party committee watched the performance at the Shanghai television station. After the performance, Comrade Peng Chung shook hands with all the group members and greeted them by saying: "It was very impressive and touching, the masses need theatrical works like this."

Immediately after the relay the central television station telephoned the Shanghai television station and said that 16 units in Peking had watched the show at the central television station and had all said that the performance was successful and the results were good. It added that 13 units in Peking are rehearsing the drama "When Silence Prevails."

The "When Silence Prevails" drama group will soon leave for Peking to perform. When comrades of the group heard the news, they were very excited. They said: "It is our greatest glory and highest honor to be able to perform 'When Silence Prevails' in Peking, our great capital." Playwright Tsung Fu-hsien and director Su Lo-chih said: "We are going to Peking to learn from the heroes of the revolutionary incident in Tienanmen Square and from the people in the capital. During our stay, we will learn from their experience so we can further improve the play and our performance."

Last night the Shanghai Cultural Bureau invited directors (Huang Tso-lin), (Yang Chun-pin), (Lo Yu-chih) and (Chien Chia) to watch the performance at the Shanghai television station.

FUKIEN CONFERENCE STRESSES RURAL DIVERSIFICATION

HK141445Y Foochow Fukien Provincial Service in Mandarin 0300 GMT 12 Nov 78 HK

[Summary] The Fukien Provincial CCP Committee recently held a conference of secretaries of prefectural and municipal CCP committees who are in charge of agriculture to look into the questions of promoting diversification and running commune and brigade enterprises, and especially commune and brigade industry.

Liao Chih-kao, first secretary of the provincial CCP committee, made an important speech at the conference. "He demanded that, while grasping grain production in a big way, the province make great efforts to develop diversification and run commune and brigade enterprises, especially commune and brigade industry to provide still more agricultural, industrial and sideline products for the state, accumulate more capital for agricultural mechanization for the collective and increase the cash income of the peasant."

The participants studied relevant central documents and Chairman Hua's latest instructions, summed up lessons and experiences in agricultural production in Fukien since liberation, and especially in the past 10 years or so, and formulated plans for diversification.

Liao Chih-kao said in his speech: "On the question of developing diversification, there has been some development since the gang of four was smashed. Generally speaking, however, the development is very slow and not as fast as the increase in grain production. Of the five tasks--agriculture, forestry, animal husbandry, sideline occupations and fisheries--the last four have all developed slowly."

Of the 12 crops, only grain, sugar and tea have developed well; the others, cotton, oil, silk, fibers, tobacco, [word indistinct], fruit, herbs and miscellaneous crops, have mostly failed to exceed their previous best production levels. Judged by average production for each person, only tea has exceeded the previous best level. This situation shows that it is extremely essential that the party committees vigorously grasp grain production, and the results of this are notable. However, they have failed to get a serious grasp of diversification.

"The leading comrades of the party committees and the various departments must fully understand the importance of developing diversification. At present it is necessary to solve five questions:

"1. Take exposure and criticism of the gang of four as the key link and eliminate the pernicious influence of Lin Piao and the gang of four.

"2. Proceeding from the actual local conditions, make full use of the local favorable conditions to develop forestry, aquatic production, animal husbandry, and many indigenous products from the mountains and the sea, together with certain traditional valuable products which sell well at home and abroad.

"3. Put right the party's various economic policies in the rural areas. It is necessary to adopt a policy of supporting, assisting and stimulating the development of diversification. It is impermissible to adopt a policy of dealing blows at and restricting it. In particular, proper domestic sideline occupations which are allowed by the policies should be regarded as a supplement to the socialist economy and vigorously encouraged and supported.

"4. Seriously conduct investigation and study and do a good job of formulating development plans, combining short and long-term plans, with the short-term nourishing the long-term.

"5. Strengthen leadership. The No 1 men of the party committees at all levels must personally concern themselves in this work and seriously grasp it well."

Liao Chih-kao continued: "To develop commune and brigade industry, there is a common point with developing diversification: It is necessary to expose and criticize Lin Piao and the gang of four, make full use of favorable conditions, correct the policies, do a good job of planning and strengthen leadership. These problems must be solved well. In addition, such industry must be integrated with agriculture as far as possible; industry must focus on agriculture and promote agriculture."

Hsu Ya, member of the Standing Committee of the provincial CCP committee and vice chairman of the provincial revolutionary committee, gave a summation at the conference and also outlined plans for agricultural production, diversification, and commune and brigade enterprises this winter and next spring.

KIANGSI RALLY CONVEYS SPIRIT OF TRADE UNION CONGRESS

HK141259Y Nanchang Kiangsi Provincial Service in Mandarin 1100 GMT 11 Nov 78 HK

[Summary] On the afternoon of 8 November, the Kiangsi Federation of Trade Unions held a broadcast rally to convey and implement the spirit of the Ninth National Trade Union Congress. Some 1,789 branch sites of the rally were organized throughout the province with a total attendance of 1.1 million people. Also present at the rally were Ti Sheng, deputy secretary of the Kiangsi Provincial CCP Committee and Chao Chih-chien, Standing Committee member of the provincial CCP committee. (Wang Pei), vice chairman of the provincial Federation of Trade Unions, read the inscriptions Chairman Hua and NPC Chairman Yeh made at the Ninth National Trade Union Congress. Li Hua-feng, chairman of the provincial Federation of Trade Unions, conveyed the situation and basic spirit of the Ninth National Trade Union Congress.

Li Hua-feng said: "Chairman Hua and the party Central Committee paid serious attention to and showed concern for this congress. Chairman Hua and NPC Chairman Yeh wrote inscriptions for the congress. On behalf of the party Central Committee and the State Council, Vice Chairman Teng delivered a speech at the congress.

"The Ninth National Trade Union Congress is a new milestone in the Chinese workers' movement. It is the hallmark of our country's workers' movement and trade union work entering a new stage of development. Now the orientation of the workers' movement has been further clearly pointed out and rights and wrongs in line in the workers' movement have been distinguished. The fundamental principle and task of trade union work have been formulated. The task facing us is to study well, publicize well and implement well the spirit of the Ninth National Trade Union Congress, respond to the battle call of Chairman Hua and the party Central Committee with practical action, shoulder the new great historical mission of the working class and give full play to the role of the working class as the leaders and as the main force in the great revolution of speeding up the realization of the four modernizations."

Ti Sheng said: "The party organizations at all levels and trade union organizations throughout the province must seriously organize study, convey and implement well the spirit of the congress and translate the demands and hope of the party Central Committee headed by Chairman Hua on trade union work into spontaneous action.

"Speeding up the realization of the four modernizations and realizing the new historical mission of the working class, the trade union organizations shoulder great responsibility. Since the founding of our country, the trade union organizations at all levels of our province, under the leadership of the provincial CCP committee and the party committees at all levels, have seriously implemented the line, principles and tasks of the workers' movement stipulated by Chairman Mao and the party Central Committee. Centering on the party's central work and political tasks, they have done much work and scored great achievements. This has played an important role in enhancing the political awareness of the staff and workers and raised their level of culture and technology, mobilized their activism and speeded up our province's socialist revolution and construction. This must be fully affirmed. In realizing the general task for the new period, the trade union organizations have much work to do. Their responsibility is very glorious and difficult.

"The party committees at all levels must strengthen their leadership over the trade unions. In the struggle to deeply expose and criticize Lin Piao and the gang of four, we must rectify the trade union organizations well and put the trade union organizations on a sound basis.

"The party committees at all levels must do a good job of improving and increasing the number of trade union cadres so that the improvement and number of trade union cadres can meet the pressing needs of their work. The party committees must include trade union work on their daily agenda, discuss it in good time and examine the work of the trade unions. At the same time, we must respect the rights of the trade unions. As to things within the scope of the responsibility of the trade unions, we must give them free rein and let them handle them. The party committees and administration must not monopolize everything.

"The party committees at all levels and administration departments must also help the trade unions solve some practical issues in their work so as to create advantageous conditions for the smooth running of trade union work. All workers' cultural places, clubs, libraries, spare-time schools for the staff and workers, workers' sanatoriums, convalescent homes and the trade union offices which are run by trade union funds and membership fees must be unconditionally returned to the trade unions for their use. Those which still have not been returned must be returned right away to avoid hindering trade union work."

NANKING MARKS 30TH ANNIVERSARY OF HUAIHAI CAMPAIGN, TENG ROLE

OW090603Y [Editorial Report OW] Nanking Kiangsu Provincial Service in Mandarin at 1030 GMT on 6 November broadcasts a report entitled "Ode to People's War--A Visit to the Huaihai Battlefield" to mark the 30th anniversary of the Huaihai campaign in which communist troops defeated KMT troops around the Hsuchou area after 65 days of fighting from 6 November 1948 to 10 January 1949. The report says that in that campaign, more than 555,000 KMT troops were annihilated. "This campaign, together with the great victories of the Liao-shen and Ping-tsing campaigns, shook the foundation of the reactionary rule of the Chiang dynasty supported by U.S. imperialism and paved the way for the Chinese PLA to cross the Yangtze River, to seize Nanking, den of the Kuomintang, and to liberate the whole country," the report points out.

After recounting the first, second and third stages of the Huaihai campaign, the report notes: "The victory of the Huaihai campaign is one for Chairman Mao's thinking on people's army, people's war and strategically decisive engagement, and it is a great achievement resulting from the faithful implementation of Chairman Mao's military line and thinking by responsible persons of the General Front Committee Teng Hsiao-ping, Liu Po-cheng, Chen I, Su Yu, Tan Chen-lin and other proletarian revolutionaries of the older generation. Facts eloquently prove that under the leadership of Chairman Mac, proletarian revolutionaries of the older generation performed indelible meritorious services for the party and people. The historical facts about the Huaihai campaign serve as a most effective criticism for Lin Piao and the gang of four."

The report concludes that: "Since the gang of four was smashed, the people of Huaihai have won one victory after another in responding to the great call to grasp the key link and run the country well issued by the party Central Committee headed by Chairman Hua. The masses of soldiers and people are holding high Chairman Mao's great banner and closely following the wise leader Chairman Hua in fulfilling the general task for the new period and in advancing on a new Long March."

BRIEFS

KIANGSI PROMOTES FINANCE, TRADE--The Kiangsi Provincial Conference on Learning From Taching and Tachai in Finance and Trade held a plenum on the afternoon of 1 November and the morning of 2 November. Yang Shang-kuei, secretary of the provincial CCP committee, and Liu Chun-hsiu, responsible comrade of the provincial CCP committee, attended the plenum. A total of 13 representatives spoke at the meeting and eight persons gave written speeches. [Nanchang Kiangsi Provincial Service in Mandarin 1100 GMT 4 Nov 78 HK]

HUNAN DELEGATION LEAVES KIANGSI--The Hunan delegation led by Tung Chih-wen, secretary of Hunan Provincial CCP Committee, ended its visit to Kiangsi and left Nanchang for home on the afternoon of 2 November. The delegation was seen off by Huang Chih-chen, secretary of the Kiangsi Provincial CCP Committee and vice chairman of the provincial revolutionary committee; Ti Sheng, deputy secretary of the provincial CCP committee; Chao Chih-chien, Standing Committee member of the provincial CCP committee and vice chairman of the provincial revolutionary committee; and Lu Ming-ching, deputy commander of the provincial military district. [Nanchang Kiangsi Provincial Service in Mandarin 1100 GMT 2 Nov 78 HK]

I. 16 Nov 78

PEOPLE'S REPUBLIC OF CHINA
CENTRAL-SOUTH REGION

H 1

KWANGTUNG CCP, REVOLUTIONARY COMMITTEES HOLD ANTIAIR DEFENSE RALLY

HK151359Y Canton Kwangtung Provincial Service in Mandarin 0430 GMT 12 Nov 78 HK

[Summary] The Kwangtung provincial CCP and revolutionary committees held a rally at the Chungshan Memorial Hall in Canton on 11 November to convey the spirit of the Third National People's Antiair Defense Conference and present citations to progressive units in the province. Responsible persons of the provincial CCP and revolutionary committees, the Canton PLA units, the air force and navy of the Canton units, Kwangtung Military District, and Canton municipal and revolutionary committees, and members of the provincial and municipal people's antiair defense leadership groups attended the rally. Chiao Lin-i, standing secretary of the provincial CCP committee and vice chairman of the provincial revolutionary committee, made a speech.

Wang Chuan-kuo, secretary of the provincial CCP committee, vice chairman of the provincial revolutionary committee, and head of the provincial people's antiair defense leadership group, presided at the rally. (Chang Huan-hsin), deputy commander of Kwangtung Military District and director of the provincial people's antiair defense office, conveyed the spirit of the national conference. Hsiung Fei, political commissar of the military district and deputy head of the provincial people's antiair defense leadership group, read out a list of progressive units cited by the national people's antiair defense leadership group.

The progressive town thus cited was Chaoching Municipality. The progressive units were the provincial Public Security Bureau, Canton heavy machinery plant, the people's antiair defense project command of the organs subordinate to Swatow Prefecture, the office of the CHANCHIANG DAILY newspaper, Haikow Harbor Bureau, Shaokuan locomotive depot of the Canton Railway Subbureau, the Foshan Municipal Communications Bureau, Chiangmen municipal chemical plant, the revolutionary committee of Chiaohsi District of Huichou Municipality, Chaoching Prefecture No 2 People's hospital, the engineering team of Maoming Petroleum Industry Company and the Communications Bureau of Chaochou Township.

Chiao Lin-i said in his speech: "Guided by Chairman Mao's revolutionary line, Kwangtung has achieved great success in people's antiair defense construction as a result of strenuous efforts by the province's party, government, army and people. However, we still lag far behind the demands of the party Central Committee and are backward compared with fraternal provinces and municipalities. We must ride on the powerful east wind of the Third National People's Antiair Defense Conference and work hard to catch up. We now have a clear idea of the principles, policies and tasks. We must greatly enhance our understanding, transform our actions, strengthen leadership and do the work well with a sense of very great responsibility to the party, the people and the revolution, as practical action to repay the concern and earnest hopes for us of the party Central Committee headed by Chairman Hua."

KWANGSI DAILY ON IMPORTANCE OF UNDERSTANDING WHAT CAPITALISM IS

HK160404Y Nanning Kwangsi Chuang Regional Service in Mandarin 1130 GMT 14 Nov 78 HK

[KWANGSI DAILY article by contributing commentator: "It Is Necessary To Clearly Understand What Capitalism Is"--date not given]

[Excerpts] For many years, the fake left, but real right line pushed by the gang of four confused theory and ideology, with the result that many people cannot distinguish between socialism and capitalism and many things which are not capitalist are regarded as capitalist. This problem is clearly illustrated by various viewpoints which were current in the rural areas for a time. One was that "rich means capitalist." Peasants who had become well off through actively taking part in collective production and developing proper domestic sideline occupations were regarded as having pursued capitalism. Another viewpoint was that "money means capitalism."

Money was indiscriminately regarded as capitalism. Another was "private means capitalism." The private plots and domestic sideline occupations managed by the peasants in accordance with the regulations were regarded as the tail of capitalism. These viewpoints caused very great confusion in actual work, seriously interfered with the implementation of the party's rural economic policies and had a very bad effect on collective production and the daily life of the peasant masses.

In the course of the deepening of the struggle to expose and criticize the gang of four, the above-mentioned viewpoints have been corrected in varying degrees. However, in the current work of turning chaos to order and implementing policies, some comrades are still unable to distinguish right from wrong and harbor lingering fears.

In socialist society, a person who labors well and makes a greater contribution to society should receive more income and his life should be of higher standard. This is quite natural and glorious. How can it be regarded as capitalism? Making money in itself cannot be said to be pursuing capitalism. In order to judge whether it is capitalist, we should look to see what methods are used to make money and what the money is used for.

With regard to the nature of the private plots and domestic sideline occupations, the 60 articles for the people's communes clearly bring the operation of private plots within the scope of domestic sideline occupations, and point out that the domestic sideline occupations of the commune members constitute an essential component part of the socialist economy. They come under the category of economy owned by the collective and of economy owned by the whole people, and are their helping hand. Since the private plots and domestic sideline occupations are an essential component part of the socialist economy and its helping hand, it is obvious that they are not capitalist things, but are things within the scope of the socialist economy.

Some comrades hold that capitalist trends are bound to arise if the peasants manage private plots and domestic sideline occupations. This is a one-sided view. In our actual work, we must make a specific analysis of private things, and cannot regard them lock, stock and barrel as capitalist.

We must expose and criticize the fake left, real right counterrevolutionary revisionist line of the gang of four, wash away its pernicious influence; get rid of lingering fears; further emancipate our thinking; clearly distinguish between socialism and capitalism; resolutely turn chaos to order, and implement the party's rural economic policies. Only thus can we fully mobilize the masses' socialist activism and speed up the development of agricultural production.

WUHAN STEEL PLANT RALLY ACCLAIMS TACHING-TYPE ENTERPRISES

HK141353Y Wuhan Hupeh Provincial Service in Mandarin 1100 GMT 11 Nov 78 HK

[Summary] Some 1,500 cadres, workers, technicians and their dependents at the Wuhan Iron and Steel Company held a rally on 10 November to celebrate the naming of eight of the plant's factories and mines as Taching-type enterprises. (Chien Chuan-chun), vice minister of metallurgy, Tien Ying, vice chairman of the Hupeh Provincial Revolutionary Committee, and responsible comrades of the Industry and Communications Political Department of the provincial CCP committee, the provincial Metallurgy Bureau, and the Ministry of Metallurgy attended the rally.

A responsible comrade of the Industry and Communications Political Department of the provincial CCP committee read out the decision of the provincial CCP committee and the party group of the Ministry of Metallurgy on naming the eight units as Taching-type enterprises. Tien Ying and (Chien Chuan-chun) presented banners to representatives of the units. They also made speeches extending warm congratulations to the Wuhan Iron and Steel Company. They pointed out: Under the leadership of the provincial CCP committee and the Ministry of Metallurgy, the company has scored great success in all work this year.

More than half the year's quota was fulfilled in the first 6 months of the year. In the third quarter, the company has vigorously grasped promoting quality and reached new levels in production. By the end of October, the year's plans for output of major products such as steel, pig iron, steel billets, iron ore and refractory bricks was more than 93 percent fulfilled. The year's profit quota was fulfilled by the end of September.

(Chien Chuan-chun) and Tien Ying urged the workers to regrain from arrogance and impetuosity, liberate their thinking and advance from victory to victory. They should grasp product quality and improve management, and prepare for a great increase in production next year.

(Li Chen-chiang), first secretary of the CCP committee of the corporation, also spoke at the rally. (Shen Ying-lo), second secretary of the committee and manager of the corporation, read out a decision naming various workshops, offices and sections as Taching-type units.

HUFEH RALLY REHABILITATES PLAY ATTACKED BY GANG

HK110307Y Wuhan Hupeh Provincial Service in Mandarin 1100 GMT 9 Nov 78 HK

[Summary] The Huangshih Municipal CCP Committee held a rally on 6 November to announce the rehabilitation of the Han play "Peddler at the Mine" and its creators and actors. A provincial CCP committee circular on rehabilitating the play was read out at the rally. (Chen Chin-sheng), secretary of the municipal CCP committee and vice chairman of the municipal revolutionary committee, spoke at the rally. Also present were responsible comrades of the municipal CCP and revolutionary committees and professional and amateur literature and art workers.

The provincial CCP committee circular pointed out: "Proceeding from their criminal aim of usurping party and state power, the gang of four and their confidant Yu Hui-yung and others created a so-called 'thrice ascending Peach Mountain' incident at the beginning of 1974. They then launched a movement throughout the country to criticize the 'return of the black line of literature and art.' In March of that year, our province held a festival on the creation of a number of professional troupes. An argument broke out in the course of assessing 'Peddler at the Mine,' which was created and performed by the Huangshih Municipal Han Drame Troupe. On hearing this, Yu Hui-yung, the gang of four's confidant, immediately sent people to the province, linked this play with the so-called 'return of the tide' and investigated whether any old cadres who had joined the revolution during the 1920's supported this play. At a report meeting in July on how the former culture group system of the State Council criticized Lin Piao and Confucius, Yu Hui-yung announced that the Han play was bad and that it reversed the verdict on the revisionist line. Due to pressure from the gang of four, the provincial CCP committee erroneously required that the Huangshih Municipal CCP Committee write an examination entitled 'Report on the Examination of the Han Play "Peddler at the Mine."' The provincial CCP committee then issued it to the whole province as a document.

"The provincial CCP committee holds that the crime of reversing the verdict on the revisionist line leveled by the gang of four against this play is slanderous nonsense and must be completely overturned. The Huangshih Municipal CCP Committee bears no responsibility. The erroneous document issued by the provincial CCP committee is declared annulled. The Han play 'Peddler at the Mine' is rehabilitated and the reputation of its creators and actors is restored." We must expose and criticize the fake left, real right counterrevolutionary revisionist line of the gang of four, wash away its pernicious influence; get rid of lingering fears; further emancipate our thinking; clearly distinguish between socialism and capitalism; resolutely turn chaos to order, and implement the party's rural economic policies. Only thus can we fully mobilize the masses' socialist activism and speed up the development of agricultural production.

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SZECHWAN RALLY CONVEYS SPIRIT OF ANTI AIR DEFENSE CONFERENCE

HK151409Y Chengtu Szechwan Provincial Service in Mandarin 2310 GMT 12 Nov 78 HK

[Summary] The Szechwan Provincial CCP Committee held a rally on 10 November to convey the spirit of the Third National People's Antiair Defense Conference. Some 8,000 persons attended the rally, including cadres of the provincial organs. Szechwan Military District, Chengtu municipal organs, and factories and schools. Wang Li-chih, Hsu Meng-hsia, Yang Chao, Lu Ta-tung and other responsible persons of the provincial CCP and revolutionary committees, Szechwan Military District and Chengtu Municipal CCP Committee, attended the rally. (Yuan Chang-ching), deputy secretary general of the provincial CCP committee, presided.

Chin Chuan-hou, member of the Standing Committee of the provincial CCP committee, conveyed the inscriptions of Chairman Hua and Vice Chairman Yeh for the national conference, Vice Chairman Yeh's important speech, and the proceedings of the conference. (Chen Tzu-chih), deputy commander of Szechwan Military District, conveyed Vice Chairman Li Hsien-nien's report. (Meng Che-chen), deputy director of the provincial capital construction committee, conveyed the summation speech of Yang Yung.

Lu Ta-tung, secretary of the provincial CCP committee, spoke at the conclusion of the rally, saying: "The Third National People's Antiair Defense Conference was a very important meeting. The principles, policies and methods formulated and put forward by the conference constitute important guarantees for our making a further success of antiair defense work. We must seriously convey and implement them. Szechwan scored achievements in people's antiair defense work in the past. However, we still lag far behind progressive fraternal provinces and municipalities. We must act in accordance with the spirit of this central conference, boost our drive and make great efforts to catch up."

Lu Ta-tung said: "The key to further doing a good job of people's antiair defense work lies in the party committees at all levels strengthening leadership. In the future, beginning with the provincial CCP committee, the party committees at all levels must put people's antiair defense work on their agendas and strengthen leadership over it. In particular, Chengtu and Chungking must launch the masses still more extensively, seriously solve problems and advance in the vanguard of the whole province. We must rapidly catch up with advanced national levels. The departments concerned must seriously solve problems such as the supply of materials for antiair defense and war preparedness construction to insure that construction work can proceed smoothly."

JEN JUNG ATTENDS TIBET PREFECTURAL WORK CONFERENCE

OW160113Y Lhasa Tibet Regional Service in Mandarin 1500 GMT 11 Nov 78 OW

[Summary] "The party committee of Shannan Prefecture, Tibet, recently called a work conference to earnestly study Chairman Hua's call for 'more emancipation of the mind, greater daring, more resourcefulness and longer strides forward' and other related directives on speeding up the achievement of the four modernizations laid down by the party Central Committee. The conference also compared notes on implementing Chairman Hua's strategic policy decision on grasping the key link and running the country well and discussed how to achieve the four modernizations in Shannan Prefecture." All comrades attending the work conference have gained a better understanding of the importance of swiftly achieving our four modernizations.

"The conference was attended by the first secretaries of party committees at prefectural and county levels and other secretaries in charge of various work fronts, and the responsible comrades from each department, office, committee and bureau in Shannan Prefecture. The Tibet Regional CCP Committee has attached great importance to this conference. Several leading comrades of the regional party committee attended this conference, including First Secretary Jen Jung, Secretaries Tien Pao and Pa Sang, and Standing Committee members Jen-Tseng-wang-chieh and [words indistinct]."

It was pointed out at the work conference that in order to achieve the four modernizations at an early date, it is necessary to emancipate people's minds. To emancipate their minds, efforts should be made to penetratingly expose and criticize the fake-left and real-right counterrevolutionary revisionist line advocated by Lin Piao and the gang of four, thoroughly remove their mental fetters, eliminate their pernicious influence and effects and revive as well as carry forward the (?party's fine traditions and work style).

"It was also decided at the conference that in order to implement Chairman Hua's important instructions, it is necessary to stir up in Shannan Prefecture a new upsurge to penetratingly and systematically criticize the crimes of the gang of four in practicing idealism and metaphysics and frenziedly distorting, tampering with and fabricating Marxism-Leninism-Mao Tsetung Thought, and to eliminate chaos and restore order in the course of the third campaign against the gang of four."

The conference called on leading cadres at all levels to grasp comprehensively and accurately Mao Tsetung Thought as a system and, under the conditions of upholding the socialist road, to go all out in fulfilling tasks that completely conform to the aspirations and fundamental interests of the masses of people and that will help speed up the achievement of the four modernizations. The conference also called for still greater efforts to promote a diversified economy on a larger scale, expand acreage sown to industrial crops, institute various award systems to encourage the masses of peasants, herdsmen and workers to strive for higher production, improve their work styles and methods of work, give fuller play to democracy and to adhere to the principle that practise is the only criterion for truth.

LI CHING-CHUAN, AN PING-SHENG ATTEND YUNNAN AGROSCIENCE MEETING

HK141406Y Kunming Yunnan Provincial Service in Mandarin 1100 GMT 11 Nov 78 HK

[Summary] The Yunnan Provincial CCP Committee held a meeting of agroscientists on 3 and 4 November to analyze the situation, sum up experiences and look into ways of further promoting agroscience and stimulating a still greater development of agricultural production next year. Over 20 agroscientists attended the meeting.

"Comrade Li Ching-chuan, vice chairman of the NPC Standing Committee, who is currently in Kunming, attended the meeting, listened to reports on agricultural scientific and technical work in the province, and chatted with the participants. This greatly encouraged them. Comrade An Ping-sheng, first secretary of the provincial CCP committee, presided at the meeting. Li Chi-ming, Chang Chih-hsiu, Hsueh Tao, (Chao Hsueh-chuan), Li Yuan, Chang Yun and (Tang Hsiao-min), responsible comrades of the provincial CCP and revolutionary committees, and responsible comrades of various organs attended the meeting."

The participants criticized the crimes of Lin Piao and the gang of four in sabotaging scientific research in agriculture and put forward many valuable opinions on various issues. "When some comrades asked whether party and government cadres could spend one sixth of their time and effort in learning science and technology, attach importance to science and technology, and strengthen leadership over science and technology work, leading comrades of the provincial CCP committee said that they should devote even more than one sixth of their time and effort in studying and becoming proficient in science and technology. They said that it is essential to change the situation in which county CCP committee secretaries are not proficient in agricultural science and technology and heads of agricultural bureaus do not understand science and technology. Not only should leading cadres study, but workers, peasants, and other cadres should also seriously study science and technology. It is necessary to create an atmosphere in which everyone studies, talks about and applies science."

(Li Jung-meng), chief engineer of the provincial Water Conservancy Bureau, and his deputy (Chang Chi-wen), put forward their views on understanding the laws of hydrology, exploiting water resources, mechanizing water conservancy construction work, straightening out the management of water conservancy, and popularizing sprinkler irrigation. (Huan Ping), chief engineer of the provincial Meteorological Bureau, spoke on making use of the thermal energy resources in parts of the province to develop rice cultivation and using the plateau and semitropical areas to promote diversification and cultivate various crops. Others spoke on improving seed and cultivation techniques, chemicals for dealing with plant diseases and insect pests, building up a mass agricultural science network, and other topics.

Comrade An Ping-sheng also addressed the meeting. He said: "We must realize that although scientific work has made progress in the province, many problems still exist. Agricultural scientific and technological research and the popularization and application of its fruits remain a weak link in the province. This has a direct influence on developing agriculture at high speed. Due to interference and sabotage by Lin Piao and the gang of four, in common with all other work, agricultural science and technology work suffered grave damage. Research work has been delayed many years, the ranks of researchers have been sabotaged, the scientific research personnel are nervous and confused and many leading comrades do not do research or grasp science. We must continue to make unremitting efforts to wash away the pernicious influence in ideology and transform the situation in economics. We must criticize in depth the crimes of Lin Piao and the gang of four in sabotaging science and technology and seriously solve the problem of understanding that science and technology is a productive force."

An Ping-sheng called on party committees at all levels to strengthen leadership over science and technology work and hold regular discussions on this work. The popularization of the effective fruits of research work should currently be grasped as a major task. He went on to point out: "To persistently take practice as the sole criterion for testing truth is not only of major theoretical significance, it is also of great practical significance. Both in social science and in natural science, we must persistently follow the basic Marxist principle, 'practice is the sole criterion for testing truth.' In carrying out scientific and technological work, we aim at speeding up the four modernizations and promoting socialist construction still more rapidly. Any method which has been tested in practice that speeds up the technical reform of agriculture, solves problems which hinder agricultural production and develop production at high speed is correct and conforms to objective laws. We should popularize such methods."

An Ping-sheng said: To launch mass scientific cultivation activities and popularize progressive technology in the light of local conditions, it is necessary to help the production teams to set up agricultural science and technology groups and put them on a sound basis. All fields, not just agriculture, should do a good job of promoting science and technology.

AFP REPORTS RED GUARD LEADERS 'APPARENTLY' EXECUTED

OW161348Y Hong Kong AFP in English 1325 GMT 16 Nov 78 OW

[By Georges Biannic]

[Text] Peking, 16 Nov (AFP)--Five Red Guard leaders, three of whom were household names throughout China during the Cultural Revolution, have apparently been executed recently.

The PEOPLE'S DAILY today published a decision by the Peking Revolutionary Committee containing a call for criticism meetings to "condemn the counter-revolutionary crimes of Nieh Yuan-tze, Kuai Ta-ru, Han Ai-ching, Tan Hou-lan and Wang Ta-pin".

They had been "arrested and punished under the law for criminal, counter-revolutionary assaults against the party and disruption of the army, for criminal violence against innocent people, smashing public property, looting and seriously damaging the socialist legal system."

The statement that the five had already been "punished under the law" and the seriousness of the crimes of which they were accused left little doubt in the minds of observers here what their fate had been.

The criticism meetings called for are compatible with the fact that they may already have been executed.

An enlarged Standing Committee meeting of the Peking Revolutionary Committee also officially "rehabilitated" the administration of Peking over the 17 years preceding the Cultural Revolution, under Mayor Peng Chen who was the first famous victim of the Red Guards early in 1966. Over the past few days the official press has been calling for the rehabilitation of all the victims of the activists.

Observers said there was nothing surprising in the fact that the current campaign to rehabilitate and the re-evaluation of Mao Tsetung's role should be accompanied by radical measures against the Red Guards who tormented and even tortured their victims, according to the press.

Three of the Red Guards named today are famous. They were arrested at the end of April with other leaders during a criticism campaign at Tsinghua University, one of their major former hunting grounds.

Ms Hieh sparked off the Cultural Revolution in Peking. While working in Peking University's philosophy department she put up the first big-character poster of the Cultural Revolution on May 25, 1966. On June 1, 1966 Chairman Mao said this was "the first Marxist-Leninist big-character poster in China."

Ms Nieh was criticized last April at Peking University and Tsinghua for her "destructive" role during the Cultural Revolution. An English teacher said that in 1968 he had been beaten with iron bars and detained on her orders, and another student called for the death penalty against her, saying she had driven his father to suicide.

Mr Kuai will probably go down in the history of the Cultural Revolution as the most well-known of the Red Guards, and the Chinese will not forget him in a hurry.

Mr Tan was a secondary school activist leader.

All three and their comrades were accused after being arrested of having "martyrized their lecturers." At one time the three Red Guard leaders were members of Peking Revolutionary Committee under Mayor Wu Te who was dismissed last month.

INNER MONGOLIA PARTY, GOVERNMENT LEADERS ATTEND RALLY

SK160608Y Huhehot Inner Mongolia Regional Service in Mandarin 1100 GMT 15 Nov 78 SK

[Text] The Huhehot Railway Bureau recently held a ceremonious rally of 6,000 staff members, workers and their family members to warmly celebrate the 20th anniversary of the founding of the bureau.

On this pleasant occasion, the party committee of the (?railway general bureau concerned) announced that Comrade Fang I, member of the Political Bureau of the party Central Committee and vice premier of the State Council, wrote an inscription for the Huhehot Railway Bureau which reads "be safe and punctual, insure high quality and high production and be a good vanguard," and announced that First Secretary of the Inner Mongolia regional party committee Chou Hui wrote the title "Huhehot Railway Workers" for the HUHEHOT RAILWAY WORKERS' JOURNAL. These events greatly inspired and encouraged the broad masses of cadres, workers, engineers and technical personnel of the Huhehot Railway Bureau and their family members.

Attending this celebration rally were Secretary of the Inner Mongolia Regional CCP Committee and Chairman of the Inner Mongolia Regional Revolutionary Committee (Kung Fei); Deputy Secretary of the leading party members' group and Director of the Political Department under the Ministry of Railways (Feng Min-chun); Secretaries of the Inner Mongolia regional party committee and Vice Chairmen of the Inner Mongolia Regional Revolutionary Committee (Wang I-lun and Yun Shih-ying; Deputy Secretary of the Inner Mongolia regional party committee and Vice Chairman of the Inner Mongolia regional revolutionary committee Chang Peng-tu; Deputy Secretary of the Inner Mongolia Regional CCP Committee (Chin-erh-ko-le); Deputy Secretary of the Inner Mongolia Regional CCP Committee and Vice Chairman of the Inner Mongolia Regional Revolutionary Committee (Li Wen); and Vice Chairman of the Inner Mongolia Regional CPPCC Committee Peng Ssu-ko. Also attending the celebration rally were responsible comrades of related departments; leaders of the Huhehot Railway Bureau; members of delegations from eight major places, including Paotou and Chining municipalities; and representatives of advanced collectives and individuals.

Presiding over the rally was Comrade (Huang Hung-chih), deputy secretary of the party committee of the Huhehot Railway Bureau and director of the bureau. Secretary of the Inner Mongolia Regional CCP Committee and Chairman of the Inner Mongolia Regional Revolutionary Committee Comrade (Kung Fei) and Deputy Secretary of the leading party members' group and Director of the Political Department under the Ministry of Railways (Feng Min-chun) delivered speeches at the rally.

In their speeches, they extended warm and wholehearted greetings to the 200,000 staff members and workers and their family members on the festive occasion, and pointed out: The Huhehot Railway Bureau led the broad masses of staff members and workers to struggle against revisionists, class enemies and various difficulties--in particular against the interference and sabotage of the counterrevolutionary revisionist line of Lin Piao and the gang of four, and won one victory after another in revolution and transportation work in the 20 years since the founding of this bureau under the guidance of Chairman Mao's revolutionary line, under the kind concern of great leader and teacher Chairman Mao, esteemed and beloved Premier Chou and wise leader Chairman Hua and under the leadership of the Ministry of Railways and the Inner Mongolia regional party committee.

Since the smashing of the gang of four, initial achievements have been scored in this bureau in grasping the key link to bring about order in railways. The struggle to expose and criticize Lin Piao and the gang of four has continuously developed in depth. A number of unjust, false and erroneous cases have been reversed. The party's various policies are being implemented. A state of stability and unity has been brought about and the mass movement to learn from Taching is being vigorously carried out.

The Huhehot Railway Bureau has placed first many times in revolutionary emulation drives for safety, punctuality, high quality and great volume of transportation among all railways. Now the Huhehot Railway Bureau has been ranked first among all railways for the good achievement of having no major or big traffic mishaps for 300 days. This constitutes an important contribution to connecting northern China with northwest railway trunk lines, changing the outlook of communications and transportation in areas north of the Great Wall and accelerating the development and flourishing of socialist revolution and construction in the Inner Mongolia region.

Comrade (Kung Fei) and (Feng Min-chun) expressed the hope that the broad masses of staff members, workers and family members will closely follow Wise Leader Chairman Hua, raise higher Chairman Mao's great banner, follow the 11th party congress line to grasp the key link and bring about order in railways, further emancipate their minds, be bolder, devise more measures, quicken their step, do a good job in various work in a down-to-earth manner, and fulfill and overfulfill the transportation tasks in an all-round way with a high quality of work, so as to make new and greater contributions to speeding up the construction of railways on the broad grasslands and reach the goal of the four modernizations ahead of schedule.

First Secretary of the party committee of the Huhehot Railway Bureau Comrade (Chiang I) also delivered a speech at the rally.

After the celebration, cadres and masses of the Huhehot Railway Bureau beat drums and gongs, set off firecrackers and held a celebration parade.

INNER MONGOLIA RESTORES MEDICAL ORGANIZATIONS

SK142341Y Huhehot Inner Mongolia Regional Service in Mandarin 1100 GMT 11 Nov 78 SK

[Excerpts] On the afternoon of 11 November, the Inner Mongolia Regional Public Health Bureau held a meeting in the auditorium of the autonomous regional revolutionary committee to announce the restoration of the Inner Mongolia branch of the China Medical Society, the Inner Mongolia branch of the China Pharmacology Society, the Inner Mongolia branch of the China Nursing Society, the Inner Mongolia branch of the China Anti-Tuberculosis Society and other mass academic organizations. It also announced the establishment of the Inner Mongolia Chinese-Mongolian Medical Society.

Comrade Wang To, secretary of the Inner Mongolia autonomous regional party committee, attended and addressed the meeting. Present at the meeting were responsible persons of autonomous regional commissions and offices concerned, board members of the Inner Mongolia branch of the China Medical Society and four other societies and associations, scientific and technical personnel in the medical, pharmacological and public health field and medical workers in the autonomous region and Huhehot Municipality, totaling more than 1,000 persons. Also attending the meeting were responsible persons from the various hospitals and public health departments of the autonomous region and various leagues and municipalities who are participants in the regional work conference on urban hospitals.

The restoration of the Inner Mongolia branch of the China Medical Society and other organizations and the establishment of the Inner Mongolia Chinese-Mongolian Medical Society is a great, joyous event on our region's public health front. This will further promote the prosperous development of scientific research in medicine, pharmacology and public health in medical units and research institutes at the regional and various other levels. This will also help organize the broad masses of scientific and technical personnel in the medical, pharmacological and public health fields and medical workers to carry out active scientific experiments and academic activities, continuously sum up and exchange academic experiences and make contributions to realizing the modernization of medical science.

In his speech at the meeting, Secretary of the autonomous regional party committee Comrade Wang To said: In developing medical, pharmacological and public health science and technology, it is necessary to adhere to the principle of gearing the work to the needs of the workers, peasants and soldiers. The emphasis of scientific research in the medical, pharmacological and public health fields should be placed on solving scientific and technical problems connected with the prevention and treatment of diseases in the farming and pasture areas. At the same time, it is necessary to pay attention to research in basic medicine and to the development of leading branches and establishment of new branches of medicine, so as to develop medical science to a greater extent.

In our region, special attention should be paid to the study of Mongolian therapy and Mongolian medicines. We should speed up the combination of Western medicine with Chinese traditional medicine and Mongolian therapy in an effort to create a new integrated Chinese medicine and pharmacology as soon as possible.

In his speech, Comrade Wang To said: Party organizations at all levels should strengthen their leadership over scientific research in medicine and pharmacology and the work in the medical, pharmacological and public health fields. At present, it is necessary first of all to grasp well the task of primary importance--doing a good job in fighting the third campaign to expose and criticize Lin Piao and the gang of four. We should consolidate the leading groups of medical, pharmacological and public health organs on the basis of deepening criticism of Lin Piao and the gang of four and distinguishing the correct from the erroneous lines.

At the meeting, the list of responsible persons assigned to the Inner Mongolia branch of the China Medical Society and four other organizations was announced.

OUTSTANDING TECHNICAL INNOVATORS GIVEN AWARDS IN PEKING

OW101036Y Peking NCNA in English 0748 GMT 10 Nov 78 OW

[Text] Peking, 10 Nov (HSINHUA)--Outstanding technical innovators both individual and collective have been cited and presented with awards at recent Peking meeting of representatives of innovators in industry and communications.

The meeting was attended by Lin Hu-chia, first secretary of the Peking municipal party committee, and Wang Chung-lun, vice-chairman of the All-China Federation of Trade Unions.

At the meeting 40 workers, technicians and cadres with outstanding achievements were cited as technical innovation experts, 246 were cited as technical innovation activists and 59 work teams or teams as advanced collectives in technical innovation.

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Awards were given to those who had been cited.

This year there have been many technical innovations in industry and communications in Peking. By the end of September 28,891 technical innovations had been listed, 73 per cent more than for the corresponding period last year, of these 976 were major innovations resulting in 1,025 new products.

PEKING MUNICIPALITY TO FOCUS ON SOCIALIST CONSTRUCTION

OW160956Y Peking NCNA in English 0800 GMT 16 Nov 78 OW

[Text] Peking, 16 Nov (HSINHUA)--The leading bodies of the city of Peking are going to shift the centre of gravity of their work to the four modernizations.

This was announced at an enlarged Standing Committee meeting of the leading party committee in the Chinese capital. The meeting called on all city party organizations to "step up the movement to expose and criticize the gang of four and gradually shift their main attention to socialist construction to accelerate the four modernizations".

Pointing out that socialism should create a high level of labour productivity, a decision adopted says "great abundance of social wealth is a prerequisite for improving the people's living standards and one necessary condition for the transition to communism." It adds, "A faster growth of production is highly important for strengthening the economic power and defence capabilities of the country." To bring about the shift, the meeting stressed the need to make a good job of the mass movement to expose and criticize Lin Piao and the gang of four, and the need to overhaul the leading bodies. City-wide meetings will be held to criticize five notorious counter-revolutionaries, who committed serious crimes during the cultural revolution and have refused to repent and correct themselves throughout long years of education. They are Nieh Yuan-tze, Kuai Ta-fu, Han Ai-ching, Tan Hou-lan and Wang Ta-pin, and they have been arrested and brought to justice under the law for criminal, counter-revolutionary assaults against the party and disruption of the army, for criminal violence against innocent people, smashing public property, looting and seriously damaging the socialist legal system.

The meeting also urged all units to launch a struggle based on specific cases against active counter-revolutionaries, criminals, embezzlers, grafters and speculators. The meeting reaffirmed the dominant role of Chairman Mao's revolutionary line in all work of the city during the seventeen years before the Cultural Revolution. With regard to the work of the Peking municipal party committee during that period, it said that achievements were the main aspect and that the overwhelming majority of the cadres were good or comparatively good and together with the masses made great contributions to the capital's construction.

The meeting emphatically pointed out that to realize the four modernizations, it was imperative to restore and carry forward the party's fine traditions and style, of which the most important are seeking truth from facts and the mass line. It was necessary to study and sum up the experience and the lessons of the past three decades and find the laws governing events in those years so as to hold to the truth and correct the errors.

The meeting pointed out that leading cadres at various levels must change the work style of keeping aloof from the masses and issuing orders without knowing the situation. All work should be planned and the methods of leadership of "from the masses and to the masses" advocated by Chairman Mao should be applied. The city's cadres and party members should not indulge in empty talk but should do more practical work. They should draw a clear line of demarcation between right and wrong, good and evil and between reward and punishment. They should strictly observe discipline.

In order to maintain an upswing of production, it was imperative to solve the problems in the living conditions of the masses so that they would have no worries. Most pressing at present was the housing problem. Work in this area must be intensified.

Attending the meeting were secretaries of the municipal party committee, members of its Standing Committee and leading members of departments under the municipal party committee and of the party committees of Peking's districts, counties and bureaus.

TIENTSIN COPIES WITH INTERRUPTION OF GAS SUPPLY

SK100031Y Tientsin City Service in Mandarin 2330 GMT 6 Nov 78 SK

[Text] Tientsin Municipality will gradually resume the normal supply of liquified petroleum gas in Tientsin. In the past, these two plants stopped supplying gas because they had to shut down their equipment for maintenance. Moreover, the general petrochemical industry plant which was put into production recently needs some equipment adjustments before it can supply liquified petroleum gas. Therefore, the liquified petroleum gas in storage was rapidly used up.

Under these circumstances, the leaders of the municipal departments concerned and the municipal Supply Bureau personally went elsewhere to ask for assistance. Particularly, the municipal Liquified Petroleum Gas Administrative Department sought new sources of gas supply everywhere. The Chemical Industry Ministry promptly approved the delivery of a large amount of liquified petroleum gas for relief. Other fraternal provinces and municipalities also gave active support. With the coordinated efforts of all concerned, the gas supply for the masses in Tientsin has basically been assured.

The two plants supplying liquified petroleum gas have now completed their maintenance and repair work and will resume normal gas supply in the near future. The general petrochemical industry plant, recently put into production, is firmly grasping rush repair work. It is expected that the supply of liquified petroleum gas in Tientsin Municipality will become much better.

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HEILUNGKUANG DAILY CALLS FOR MENTAL EMANCIPATION

OW150228Y Harbin Heilungkuang Provincial Service in Mandarin 1100 GMT 10 Nov 78 OW

[Report on HEILUNGKUANG DAILY 10 November commentator's article: "The Key Lies In Mental Emancipation"]

[Excerpts] The commentator's article points out: The realization of the four socialist modernizations has been included in our party constitution and [state] constitution. The current question is not whether or not this task should be realized, but that this task must be realized even faster than originally planned. This is to say that the fundamental issue to be solved at present is the acceleration of our country's modernization. While conditions now permit us to attain this goal, there are still some problems and many serious obstacles that must be surmounted.

Aside from backward management, technology and scientific and cultural standards, our main problem is mental confusion. As of now, many cadres are still muddled with regard to issues concerning the mutual relationship between politics and economics, between revolution and production, between production relations and productivity, and between the superstructure and the economic foundation; issues concerning objective economic law, the principle of "to each according to his work," and enterprise regulations and rules, production command and labor disciplines; and issues concerning economic accounting; economic effects, socialist profit and the laboring people's material benefits.

These people dare not strike at our class enemies engaged in sabotage activities, dare not criticize bourgeois tendencies, criticize bourgeois factionalism, talk about management, talk about "to each according to his work," talk about giving full play to the role of scientists and technicians or talk about learning from foreign countries. Whenever the subject of introducing modern foreign equipment into China arises, they are beset with worries lest capitalism also enter.

To eliminate such foolishness, it is imperative for us to continue to emancipate our minds, do away with narrow-minded small production, eradicate the pernicious influence of Lin Piao and the gang of four, and understand the modern world's science, technology and advanced management systems.

We must honestly admit we have taken a roundabout route and that we must study carefully how to do our best in order to avoid taking this route again in the future. What has proved through long social experimentation to be in accord with objective law and majority interests should be carried through to the end and should not be casually changed or revoked; those things changed or revoked should be changed back and reinstated. What we refer to here are the many good things from the period before the Cultural Revolution that were criticized and repudiated. Our doing this is not what some people call "restoration," because those things have proved successful through social usage and are helpful for putting things in order.

Some people say we are taking the "old road." The fact is: this "old road" is none other than the socialist road, found and adopted by hundreds of millions of people after more than 100 years of bloody struggle. We have not finished with this "old road" yet and we will continue on it. Therefore, our comrades should be more audacious. They must dare to uphold truth, to say the word "rehabilitate," to do rehabilitation work and create new things in its course, grasp the current excellent opportunity to bravely introduce good foreign things into China, study them and improve them. So long as we admit the authority of practice, listen to the voices of those who do practical work and strive to seek truth from facts, we can easily smash our mental chains and free ourselves from vacillating, uncertainty, wavering and hindering our country's important work.

KIRIN DAILY ON REVAMPING EXISTING PRODUCTION BASE

SK100541Y Changchun Kirin Provincial Service in Mandarin 2200 GMT 7 Nov 78 SK

[Report on KIRIN DAILY 8 November commentator's article: "It Is Necessary To Reform Old Enterprises Into Modernized Ones"]

[Text] The article states: At present, the level of automation and specialization of industrial production in our province is very low. A relatively large number of enterprises are equipped with old-type machinery and use the old technology of the 1930's, 1940's and 1950's. This has caused low efficiency, great consumption, high cost and poor quality in production. This backward situation does not meet the need to speed up the realization of the four modernizations. Therefore, in addition to introducing new technology, we should adopt the measures of technical revolution and renovation to carry out technical reform of the old enterprises. We must turn the backward into the advanced and raise the level of modernization of our industries.

The article stated: Paying great attention to the reform of technology in existing enterprises constitutes our capital, foundation and base for realizing the four modernizations. Without this foothold, we cannot take big strides. Without technical reform of the old enterprises, it is impossible to have high speed. Practice has proven that this is a practical way by which we can achieve greater, faster, better and more economical results. What we are saying is that with the old equipment of the 1940's and 1950's plus our revolutionary spirit, efforts should be made to obtain the same results as is produced by equipment of the 1970's. It is not permissible to imagine that all old equipment should be replaced by new. If we do not make efforts to bring the role of existing equipment into full play, our plan will not be fulfilled and we will be unable to achieve the high speed we desire.

The article pointed out: There is great potential for old plants to carry out technical reform. By merely adding some new equipment, renovating some equipment, carrying out coordination among the specialized departments and improving their managerial skills, a large number of plants can double their production. The facts in the case of the state-operated (Chihwei) machinery plant have fully proven that the reform of old enterprises has a very bright future. In carrying out technical innovation and reform, we aim at nothing but using the newest technology and the least manpower and materials to achieve the greatest economic results possible. This means high output, good quality and low material and energy consumption.

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As we have always said: New equipment, technological processes and techniques of one kind or another are ways and means by which we achieve this aim. We must work on those projects which yield quick and good results in order to solve the key problems and weak links in production. In no way should we practice formalism; what we should do is pay attention to actual results.

All places, departments and enterprises should fully mobilize the masses to set up new tasks of technical innovation and reform by taking their actual condition into consideration. They should decide on what to do this year and next year and make breakthroughs in a planned manner. It is necessary to correctly handle the relationship between innovation and current production and use the former to promote the latter.

KIRIN PROVINCE STERNLY HANDLES OFFENDERS OF DISCIPLINE, LAW

OW091147Y Peking Domestic Service in Mandarin 0415 GMT 7 Nov 78 OW

[Excerpts] Ignoring party discipline and state law, (Chang Kung-shun), general party branch secretary of (Maanling) production brigade under (Shangling) commune in Kirin's Shulan County, and several others blatantly set up private court to persecute (Tu Tsun-lin), a commune member who brought a certain problem to light in a letter to the department concerned. This case, which is both alarming and intolerable, was sternly dealt with not long ago by the Shulan County party committee.

In a letter to the industry and commerce administration office of (Mingyueh) Township in Antu County in December 1977, (Tu Tsun-li) exposed the fact that an underground organization formed by the No 2 production team of (Maanling) production brigade had illegally accepted contracts for the construction of reservoirs, houses and other projects in Antu County. This case had already been discovered by the departments concerned prior to the letter's being written. A fine of 2,800 yuan was imposed on this underground organization. Meanwhile, a notice was also sent to the general party branch of (Maanling) production brigade.

The party committee of Shulan County has decided to remove (Chang Kung-shun) from his post as secretary of the general party branch of the (Maanling) brigade and place him on probation within the party. (Tan Chin-tsai), public security chief of (Maanling) production brigade, has also been removed from his post. Severe criticism was meted out to (Liu Cheng-sen), head of the No 2 production team. A decision was also made to compensate (Tu Tsun-li) for his sufferings.

Commenting on this incident, the PEOPLE'S DAILY carried a short commentary on 7 November, entitled "People's Democratic Rights Brook No Encroachment." The commentary says: Law and discipline offences similar to the case involving the party members and cadres of (Maanling) Production Brigade have not only existed among some basic-level organizations, but have also frequently occurred in some of our leading organs at and above county level. One of the root causes is that our leading party members and cadres lack any concept of law and discipline. As far as they are concerned, party discipline, state law and the people's democratic rights do not exist. The masses of people regard some cadres as "local chieftains" who consider themselves the party and government. If we do not eliminate violations of law by these "local chieftains" and resolutely correct their extremely wrong thinking, it will be impossible to safeguard the people's democratic rights and further raise socialist enthusiasm among the masses of people.

The commentary says: Party committees at all levels must pay attention to safeguarding the people's democratic rights, prevent offenses against law and discipline and strengthen our socialist legal system. They must include these issues on their daily agendas. All leading organs must sternly and conscientiously deal with any case of cadres violating law and discipline when exposed by the people. Under no circumstances should leading organs ignore such cases or cover up for another official. We need to grasp some typical cases of offenses against law and discipline and handle them on a grand scale, so we can deal a telling blow to perverted customs and practices of all descriptions, uphold proletarian righteousness, and help the masses of cadres and people understand the high importance of promoting socialist democracy and establishing a correct attitude toward our socialist legal system.

BRIEFS

LIAONING DOCTORS--In Liaoning Province, more than 3,000 experienced doctors of traditional Chinese medicine have resumed their professional work. In the past, when the gang of four and their followers in Liaoning were on the rampage, they were forced to take up other jobs or to labor in the countryside. [Shenyang Liaoning Provincial Service in Mandarin 2300 GMT 30 Oct 78 SK]

LIAONING THEATRICAL SCHOOL--With the approval of the Liaoning Provincial Revolutionary Committee, the Liaoning Opera School was restored on 1 October under the new name of Liaoning Theatrical School. Previously the school was forcibly dissolved by the gang of four and their sworn followers. [Shenyang Liaoning Provincial Service in Mandarin 2300 GMT 31 Oct 78 SK]

AIR DEFENSE DELEGATES--Delegates to the Third National Air Defense Work Conference returned to Liaoning on 5 November with Chairman Hua's inscription. When the party of delegates arrived at Shenyang airport, responsible comrades of the Liaoning provincial party and revolutionary committees, including Su Yu, Yang Ta-i, (Chang Tieh-chun) and Hsieh Huang-tien, received them. [Shenyang Liaoning Provincial Service in Mandarin 2300 GMT 5 Nov 78 SK]

HEILUNGKIANG TACHING OILFIELD--Cadres and workers of the Taching oilfield have whipped up an upsurge in learning science and culture to further step up their scientific and cultural levels. The oilfield party committee decided to build the enterprise into a highly mechanized and modern oilfield by 1985. To date, it has set up 30 "21 July" colleges, over 2,100 "Red and expert" spare-time schools, 905 illiteracy elimination classes, 890 primary school-level classes, 1,067 junior middle school-level classes, 400 senior middle school-level classes, 42 college-level classes and 2,287 professional classes, attended by a total of 251,000 workers and cadres, or about 96 percent of the oilfield's total manpower. [Harbin Heilungkiang Provincial Service in Mandarin 1100 GMT 16 Oct 78 OW]

LIAONING CYL DELEGATES--Liaoning Province's delegates to the 10th National Congress of the Communist Youth League left Peking for Liaoning on 1 November. On the morning of 2 November, some delegates arrived back in Shenyang and were greeted at the railway station by Chang Shu-te, secretary of the provincial party committee, and others. [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 2 Nov 78 SK]

SHENSI SECOND SECRETARY ADDRESSES PROVINCIAL MILITIA CONGRESS

HK140739Y Sian Shensi Provincial Service in Mandarin 1100 GMT 10 Nov 78 HK

[*"Excerpts"* of speech by Wang Jen-chung, second secretary of the Shensi Provincial CCP Committee, at the Second Shensi Militia Congress on 8 November 1978--recorded]

[Excerpts] Comrade delegates: You are not only representatives of advanced units and individuals in militia work, but are also advanced figures on various fronts. On behalf of the Shensi provincial CCP and revolutionary committees, I hereby extend my warm greetings to you all. Here I speak emphatically on three issues:

1. The militia in Shensi must mobilize to contribute to quickening the pace of fulfilling the general task for the new period. The militia is new force on the production front. Mobilizing and organizing the militia to contribute to quickening the realization of the four modernizations is the central task of militia work, and is also a lofty duty of the militia. We must combine national defense building and economic building, combine militia work with the mass movements to learn from Taching and Tachai, and vigorously strengthen militia building in the great revolution of accelerating realization of the four modernizations. If we depart from this general situation and from the general task for the new period, militia work will deviate from the true path and will be isolated from the masses.

Since the establishment of the new China, Chairman Mao's revolutionary line has always taken its place as the leading factor in Shensi. Various socialist constructions have gradually been advanced and great achievements have been scored. There has been considerable improvement in agricultural production conditions, and there has been tremendous growth in industrial production. The militia in Shensi has contributed very great efforts and made very great contributions to socialist revolution and construction.

However, we must also see the other side. The development of the national economy, particularly agriculture, in Shensi has been relatively slow. It does not meet the demands of the rapid development of industry nor the demands of improving the people's material and cultural lives. The fundamental conditions of agricultural production are far from having been basically improved. The average area of irrigated land per person in Shensi ranks 23d in China, the production of chemical fertilizers for each mu of land ranks 25th, and agricultural machinery industry ranks 17th. The growth rate and production level of grain production are all below the national average. If this kind of backward situation is not quickly changed, it will hold back the progress of the four modernizations in China. Besides, it is not in accord with the strategic position of Shensi.

We must fully understand the important responsibility we have shouldered and promote industrial and agricultural production, particularly agricultural production, and various other tasks as quickly as possible. Thus the militia must play the roles of backbone and pioneer in the movements to learn from Taching in industry and from Tachai in agriculture. All militia members must be greatly determined in learning from the advanced, and studying science, culture and technology. They must continuously enhance their political and ideological consciousness as well as their scientific and cultural levels, and make active contributions to developing socialism in a big way.

The militiamen on the industry front must hold aloft the banner of the constitution of the Anshan Iron and Steel Company and seriously implement the "30 articles on industry". They must act resolutely according to economic laws, strengthen the management of enterprises as well as economic accounting, vigorously embark on technical innovation and revolution, increase labor productivity, work vigorously and hard in November and December, striving to fulfill and overfulfill the annual state plans and create conditions for winning an initial success in the first quarter of next year.

The militiamen on the agriculture front must continue to deepen the mass movements to learn from Tachai in agriculture and to build Tachai-type counties everywhere, seriously implement the party's various economic policies in the countryside, vigorously launch scientific farming, realize still higher agricultural yields; and bring the roles of militia organizations into full play. They must shoulder heavy burdens, overcome difficulties, work vigorously and resourcefully, and, together with the commune members, do a good job of fighting the battle of farmland capital construction this winter and next spring.

Some localities have launched some farmland capital construction in the past. However, their quality was very poor and could not achieve the objective of increasing production. These localities must take repair work as their main feature in order to enhance their quality. We must aim at practical effectiveness in pursuing farmland capital construction and must not be one-sidedly in pursuit of quantity. We must never engage in formalism and we must generally not engage in the so-called "big joint battle." We must take production teams and brigades as the main feature in pursuing farmland capital construction. We must resolutely correct the mistakes of egalitarianism and transfer. We must be concerned over the people's health and pay attention to integrating labor and rest. Only in this way is it possible, with only small investments of labor and capital, to bring the masses' enthusiasm into full play and to increase production to the greatest possible extent.

The quantity of farmland capital construction must be made subordinate to the quality. We would rather complete a smaller number of farmland capital construction projects in order to insure their good quality. In launching farmland capital construction this winter and next spring, we must also vigorously strengthen the tending of over-wintering crops. We must vigorously engage in collection of manure and in diversification. We must promote a great development in sideline production by collective and single households in order to increase the income of the commune members and to improve the people's livelihood.

The militiamen on the finance, trade, culture, education, public health, science and technology fronts must all seriously improve their professional skills, work hard to scale heights in science and technology, do a good job of their own work, and contribute toward accelerating the realization of the four modernizations.

2. In close connection with reality in Shensi, we must quickly whip up an upsurge in exposing and criticizing the crimes of Lin Piao and the gang of four. The great struggle to expose and criticize the gang of four is the current great motive force which has stimulated the socialist cause of China to forge ahead, and is also our decisive factor in our doing a good job in all our tasks.

You, comrades, all know that not long ago, and in accordance with the spirit of the concerned documents of the central authorities, the Shensi Provincial CCP Committee held an enlarged Standing Committee meeting. Judging by the large number of facts exposed at the meeting, the antiparty clique of Lin Piao and the gang of four directly or indirectly laid their black hands in Shensi, seriously sabotaging and interfering with the revolution and construction in Shensi. Their remnant poison has been very serious and their pests have been very great. The person who once held very great power in Shensi and who subsequently sold himself to the gang of four actively pushed forward the counterrevolutionary revisionist political and organizational line of Lin Piao and the gang of four and seriously damaged the revolution and construction in Shensi.

To grasp the key link in bringing about great order in Shensi, the current most major issue is to penetratingly expose and criticize Lin Piao and the gang of four in close connection with reality in Shensi and to thoroughly settle an account of the crimes of that person. We must also firmly grasp the "one criticism and two blows" movement and deal blows at the social foundation of Lin Piao and the gang of four.

We hope that the militiamen will take a clear and firm stand in that struggle, will stand at the frontline of the struggle and, in close connection with the reality of their own localities and units, mobilize and work together with the masses to expose and criticize the counterrevolutionary revisionist line, expose and criticize the serious crimes of that person, expose and criticize the crimes of those "people who cause troubles" and of those archcriminals who beat, smashed and looted in their own localities and units, thoroughly eliminate the remnant poison and influence of Lin Piao and the gang of four, and enthusiastically do a good job of fighting the third battle.

While seriously implementing the spirit of the concerned documents of the central authorities, and in close connection with the reality of militia building, we must also fiercely criticize the crimes of Lin Piao, the gang of four and the person who once held very great power in Shensi and who subsequently sold himself to the gang of four in sabotaging militia building.

The situation of the militia work in Shensi is on the whole good. The militiamen and people's armed forces cadres have carried out Chairman Mao's revolutionary line. They have also resisted and struggled against the orientations of Lin Piao and the gang of four. However, on the other hand, we must also see that the interference and sabotage of Lin Piao and the gang of four with militia building in Shensi are very serious. In exposing and criticizing, we must firmly grasp the (?issues) of the gang of four, of which the remnant poisons have been widespread and the pests serious, forging Chairman Mao's instructions, (?interfering with) militia building, splitting the armed forces system with the "three-in-one" combination, vigorously engaging in building a "second armed force" and usurping the leadership role of the militia; distinguish between right and wrong in ideology, theory and line, and eliminate their remnant poison and influence.

We must deepen the education in the (? "six principles") [words indistinct] among the militiamen and restore and carry forward the excellent traditions of militia work. In combination with the "one criticism and two blows" movement, we must further rectify and purify the militia organizations. We must remove all the close followers and bullies of the gang of four, the backbone elements of the bourgeois factional system, the archcriminals of beating, smashing and looting and the [words indistinct] from the militia forces in order to insure the [words indistinct] of the militia.

3. We must persistently uphold the principle "the armed forces must be placed under the party" and strengthen leadership over militia work.

We must understand the importance of militia work in the light of strategic planning, and specifically strengthen the leadership over militia work. We must include militia work in the daily agendas of the party committees and firmly grasp [words indistinct]. We must resolutely implement the system of dual leadership by the local party committees and the military affairs departments. The party committees must seriously study and implement all those instructions on militia work given by the military affairs departments at the higher levels. We must be concerned over the building of the people's armed forces departments, listen to their periodic reports, support their work, and bring full play their roles as the military affairs executive departments of the local party committees.

Full-time armed forces cadres are an important force in doing a good job of promoting militia work. They are also backbones who lead the militia in joining the regular army and in participating in fighting various battles during wartime. We must do a good job of building this force. At present, there have for a long time not been enough full-time armed forces cadres to meet the demand in some localities and units, or not enough of those full-time cadres have been allocated to the localities and units. Those who are aged, in poor health and are not suitable to carry out militia work were also (?transferred away in a timely fashion). Some full-time cadres do not concentrate on their work and take on too many part-time jobs. As a result, they cannot spend their major energy on militia work. There must be serious work to solve these problems.

Party committees at all levels must follow the pertinent regulations of the central authorities, return the full-time armed forces cadres in various communes, factories, mines and other enterprise units as quickly as possible, and at the same time maintain a relative stability. The organization departments at all levels must, together with the military affairs departments, firmly implement these tasks as quickly as possible. Only by doing a good job of allocating full-time armed forces cadres and of consolidating militia organizations is it possible to really do a good job of putting militia work on a sound basis in three aspects.

TSINGHAI PARTY LEADER ADDRESSES CADRE TRAINING CLASS

OW150620Y Sining Tsinghai Provincial Service in Mandarin 1100 GMT 12 Nov 78 OW

[Excerpts] On the afternoon of 4 November a graduation ceremony was held for the second cadre training class sponsored by the Tsinghai Provincial CCP Committee's party school. Tan Chi-lung, first secretary of the provincial CCP committee, and (Wu Ko-wan), director of the provincial CCP committee's Organization Department, attended the ceremony.

Comrade Tan Chi-lung spoke at the ceremony, dwelling on the present excellent situation at home and abroad; on matters concerning the emancipation of the mind so that rapid progress can be made through vigorous efforts; on the acceleration of the four modernizations and on the consolidation and building of leading bodies at all levels. He urged the members to integrate the theory they had studied with the actual situation in their posts, apply what they had learned to their work and play their roles with backbone. He also urged them to master Marxism-Leninism-Mao Tsetung Thought as a system correctly in a comprehensive way and strive to make new discoveries, inventions, and progress. He also felt it was necessary for the members to take exposure and criticism of the gang of four as the key link, boldly emancipate their minds, race against time, perfect themselves in their work, promote the province's revolution and construction and strive to accelerate the four modernizations.

Through study, members of the training class are able to distinguish between right and wrong in important matters concerning ideology, theory and line, possess a more comprehensive and correct understanding of the great theory of continuing the revolution under the dictatorship of the proletariat and perceive more clearly China's present new situation and task. They have emancipated their minds, broadened their views on political matters, rejuvenated their revolutionary spirit and strengthened their confidence that victory will be achieved.

BRIEFS

SHENSI INCREASES REVENUE--By the end of September, Shensi had fulfilled 82.69 percent of the yearly revenue plan. At the same time, Sian, Pochi and Tungchuan municipalities and Yulin, Shanglo, Ankang and Hsieryang prefectures had also fulfilled more than 80 percent of the yearly revenue plan. Profits turned over to the state by provincial enterprises have fulfilled 89.17 percent of the yearly plan. [Sian Shensi Provincial Service in Mandarin 1300 GMT 5 Nov 78 HK]

SINKIANG SCIENTISTS, TECHNICIANS--Sinkiang Autonomous Region recently completed a census of scientific and technological personnel. The census showed the quality, distribution and work conditions of scientific and technological workers in the region. The census was the first conducted in 18 years. It showed that since 1960, the ranks of scientific and technological workers have grown somewhat. In those units owned by the whole people, the number of scientific and technological workers has more than doubled. But the quality and number of scientific and technological workers still fall short of the region's requirements. [Urumchi Sinkiang Regional Service in Mandarin 1300 GMT 20 Oct 78 OW]

SINKIANG SEEDLESS GRAPES--Peking, 2 Nov--Sinkiang Uighur Autonomous Region reports a good harvest of the famous Turfan seedless white grapes. Total output this year is 40 percent greater than last year's. The grapes are thin-skinned and juicy and have a high sugar content. Shanshan and Turfan counties in the Turfan Basin where grape growing goes back hundreds of years are the main producers. [Text] [Peking NCNA in English 0735 GMT 2 Nov 78 OW]

SINKIANG HOP HARVEST--Urumchi, 5 Nov--The Sinkiang Uighur Autonomous Region reports a good harvest of hops with total output 20 percent greater than last year. Sinkiang has been growing hops for 18 years and now provides 50 percent of the hops used in China's 67 breweries and more than 90 percent of the hops for export. A brewery has been built now in Sinkiang and its beer is on trial sale in Urumchi. [Text] [Peking NCNA in English 0740 GMT 5 Nov 78 OW]

SINKIANG OBSERVES CORBAN FESTIVAL--Urumchi, 12 Nov--A gala party was held here yesterday evening to celebrate the annual Corban Festival. It was arranged by the Revolutionary Committee of the Sinkiang Uighur Autonomous Region. Representatives of Uighur, Kazakh, Hui, Khalkhas, Tajik, Uzbek, Tartar and other minority nationalities in the region gathered and exchanged greetings at the party. Songs and dances of various nationalities were performed. During the festival, workers and other labouring people of the minority nationalities had a three-day holiday granted by the regional revolutionary committee, received ample supplies of festival goods and enjoyed a variety of theatrical performances. [Text] [Peking NCNA in English 1603 GMT 12 Nov 78 OW]

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WEN WEI PO CARRIES DISPATCH ON PRC MISSILE LAUNCHINGS

HK161118Y Hong Kong WENWEI PO in Chinese 15 Nov 78 p 1 HK

[CHINA NEWS SERVICE dispatch from Peking on 14 November]

[Text] The second company of a certain unit subordinate to the Scientific and Technological Commission for National Defense is responsible for the glorious talks of testing and launching guided missiles and satellites. This company has participated in launching guided missiles and satellites dozens of times and has successfully completed its mission every time.

This company has been fighting in the vast Gobi Desert for nearly 20 years. Members of the company have mastered advanced scientific and technological knowledge, taken a strict scientific attitude toward their work and maintained a meticulous work style. They have truly implemented the late Premier Chou En-lai's instruction given to army units responsible for testing and launching guided missiles and satellites: "Strictly and conscientiously deal with the matter, meticulously attend to minute details, proceed steadily and be proper and dependable and try to be absolutely safe and sure." Therefore, they have been able to complete their mission every time with high quality.

TA KUNG PAO PUBLISHES SERIES OF ARTICLES ON PRC TRADE

HK131007Y Hong Kong TA KUNG PAO in Chinese 1 Nov 78 p 10 HK

[Feature article by Tsai Wei-heng: "Several Problems on 'Compensation Trade'--the Nature of the Method of 'Compensation Trade' Applied by China"]

[Excerpts] Since the beginning of this year's trade fair, there has been a great change in the form of our country's foreign trade. China has primarily applied various flexible methods commonly used by other states to promote foreign trade and expedite the realization of the four modernizations. Several current forms of trade that have been extensively adopted include processing in China of products that have been made from provided materials, cooperative production and compensation trade. This change has drawn the close attention and aroused the great interest of people engaged in industry and commerce in various countries.

Processing in China of products made from provided materials is a form of trade which can be understood by the general public. However, cooperative production and compensation trade are often misunderstood by people engaged in foreign trade. They are regarded as cooperative ventures or joint ventures which are frequently adopted in foreign trade. Much misunderstanding has therefore been caused.

For instance, newspapers have recently carried headlines such as "Honk Kong Businessmen Can Invest and Establish Factories on the Mainland." This has given people the misconception that foreign investment is now permitted in China. Furthermore, when people hear of the preparations being made in China to set up an export commodity processing zone, they regard it as a "free trade zone" or "free industrial zone" as in Western countries. This is a complete misunderstanding.

What is most difficult to distinguish is the relationship between "compensation trade" and "equity joint ventures" in Western countries. These two concepts are totally different in nature but are frequently mixed-up. This misunderstanding has raised many questions among people engaged in trade.

This distinction was clearly explained in a 24 September TA KUNG PAO report. In short, in "compensation trade" the foreign side provides the materials and equipment and China is responsible for the processing and production. China is paid for processing the products which then belong to the foreign side. A certain percentage (20 percent - 30 percent) is to be deducted from the processing charges to pay for the equipment until the full amount of the equipment charges has been paid. "Compensation trade" applies to comparatively large industrial production in which the purchaser supplies the complete set of production equipment and China provides factory premises and some materials. This production will be included in the state's plans. The charges for the equipment supplied by the purchaser will be repaid through the export of the products.

The relationship between the processing in China of provided materials using supplied advanced equipment and "compensation trade" may not be easily distinguished. As far as the writer knows, the purchaser sometimes can provide the whole amount or a portion of the raw materials for "compensation trade." These two concepts can therefore be easily confused in negotiating with Chinese import and export companies. However, "compensation trade" in any case cannot be regarded as an "equity joint venture." This point must be clearly understood.

Our country is a socialist country and its ownership of the means of production primarily involves the ownership by the whole people along with collective ownership. Investors are not permitted to possess production equipment, factories or other means of production in China. No foreign investors are allowed to interfere with the administration or management of Chinese factories or share their profits. They are not permitted to handle their assets. Although a portion or all the production equipment is provided by overseas investors, in "compensation trade," foreign investors cannot be regarded as factory partners. We can only say that "compensation trade" is "cooperative production" and not an "equity joint venture." The reason is self-explanatory.

There are many forms of "cooperative production." Foreigners engaged in such cooperation can provide production equipment and other materials such as that used in hotels and for hotel construction. They can also provide capital, technical knowledge, patents or services like design, installation, supervision, production and training. China can use various ways to repay the charges for equipment and services that have been provided in advance. China can repay part of the charges with money and the rest with products or it can repay everything in products. Such repayment is called "product buy-back". For example, coal can be used to repay the charges for coal mining equipment and oil for drilling equipment. Repayment in products unrelated to the equipment and services provided is called "counter trade." For instance, the charges for communications are paid back with minerals. There are also other repayment methods. This form of trade is called "compensation trade."

Second Installment

HK131030Y Hong Kong TA KUNG PAO in Chinese 2 Nov 78 p 10 HK

[Feature article by Tsai Wei-heng: "Ownership, Maintenance and Insurance--Second Comment on Problems Concerning 'Compensation Trade'"]

[Text] "Compensation trade" is undoubtedly the most effective way to quicken both the pace of China's foreign trade and that of realizing the modernization of China's industrial and agricultural production. Businessmen of trade circles in various countries all believe this flexible and diversified form of trade will open wide prospects for the development of trade. We can see the prospects for this form of trade through enthusiastic trade talks, the extensive topics involved in trade talks and the open-minded atmosphere of the latest Chinese export commodities fair. [paragraph continues]

Since this form of trade has only been recently implemented in China and people do not have many practical experiences, quite a few specific problems exist which need further study. These problems involve equipment ownership, management, insurance, credits, inspection of product quality, debt-paying guarantees and arbitrating disputes. Only by stipulating them in explicit terms can we apply the trade form in a more effective way.

With regard to problems in the ownership of equipment, a 24 September TA KUNG PAO report said: "After deducting the equipment costs, the equipment belongs to our side. (Our side refers to China's foreign trade organs)." There is no doubt that after reimbursing foreign businessmen for the equipment, the equipment will belong to China. But who is the owner of the equipment before the completion of the reimbursement? The TA KUNG PAO report did not explain this issue.

Judging from the current situation, the equipment belongs to China after its arrival in China regardless of whether the reimbursement has been completed or not. If this is the case, it is necessary to find out who is responsible for maintenance, servicing, supplying spare parts and providing insurance during the time the equipment cost is being reimbursed.

Since the equipment cost is reimbursed through deductions from the processing expenses and the factory price of the products, it is necessary to insure the reliability of the equipment and its normal operation and to insure maintenance safety. Only in this way can we create reliable reimbursement conditions. Therefore, cooperative production agreements in general should provide that the party who offers the equipment must guarantee that the equipment will fulfill the technical requirements for producing finished products. "The Agreement on Industrial Joint Ventures" published by the United Nations contains the following clauses which can be used as reference material:

"1. (Foreign businessmen) must guarantee that the machinery and equipment they offer are fully capable of fulfilling the quantitative and specified requirements for producing the planned products. The quantity and specifications of the machinery and equipment they offer are listed in the attached tables. The machinery and equipment they offer must be of the latest design which can be feasibly improved and properly operated if they are properly maintained. The machinery they offer must be compatible with the existing machinery of the joint venture company and with future new machinery. They also must guarantee they are always ready to supply spare parts.

"2. (Foreign businessmen) must guarantee...that the machinery and equipment they offer will fulfill the qualitative, quantitative and specified requirements for producing the planned products, and that the machinery and equipment can be efficiently operated for ...years.

"3. If the machinery and equipment fail to fulfill the above-mentioned requirements, (foreign businessmen) are responsible for making compensations for all losses caused by the failure including production stoppages, factory closures and the renewal of operations." This agreement is aimed at forcing the party who offers the equipment to bear responsibility for the functioning of the equipment.

The party that offers the machinery and equipment should be responsible for insuring the functioning of the machinery and equipment which must fulfill the quantitative and qualitative requirements for producing and processing products. The party that keeps the equipment should be responsible for insuring the maintenance of the equipment and its proper and safe operation. It seems to me that the Chinese side is the party that keeps the equipment, however, this is not a simple problem. For instance, who should be responsible for paying the costs of supplying spare parts, maintenance and servicing? Who should assume responsibility for damages and losses caused by improper use of equipment? An agreement on cooperative production should explicitly provide that a certain party must bear responsibility for the above-mentioned questions. If not, a misunderstanding or dispute will occur.

Problems exist regarding insurance. The party who offers the equipment loses ownership of it after it arrives in China. In principle, a person who loses ownership of his property simultaneously loses his insurable interest and can no longer have his property insure. If the equipment offered by foreign businessmen is damaged by natural causes beyond human control such as fire, flood, earthquake or typhoon, who should be responsible for reimbursing the losses? Generally speaking, Hong Kong businessmen buy fire insurance for their equipment. Will China have the equipment insured? Who should pay the premium? What will the insured value be? Who will be the beneficiary if the equipment offered by foreign businessmen is damaged, how will a principal ask for compensation? Answers to these questions should be contained in an agreement on cooperative production.

Third Installment

HK131050Y Hong Kong TA KUNG PAO in Chinese 4 Nov 78 p 10 HK

[Feature article by Tsai Wei-heng: "Traders and the Accumulation of Funds--Third Comment on Problems Concerning 'Compensation Trade'"]

[Text] Funds needed for industrial and commercial undertakings in the West are mostly provided in the form of bank credits. The purchase of most plant equipment and installations is financed by installment buying or by raising mortgages from banks with the machinery itself used as stipulated collateral. In the "compensation trade," the machinery previously provided by the trader in principle becomes a Chinese possession after it has been delivered to China. Naturally the provider may no longer raise a mortgage from a bank on the machinery which he no longer owns. As a result, he is obliged to finance his business with his own funds. This is a great limitation of the 'compensation trade' in the use of capital.

The economic development of the capitalist world relies to a very large extent on its credit system. The construction of the mass transit railway in Hong Kong could hardly be completed if the MTR Company had to raise a trillion dollars by itself for the construction; there would hardly be any real estate buyers if they had to raise enough money to pay house prices; and it would be difficult for industrial and commercial enterprises to run their business if they had to secure sufficient funds to establish factories and purchase machinery. The promotion of "compensation trade" will be considerably restricted if it fails to bring bank funds into play.

Banking circles are now conducting a heated discussion on seeking feasible approaches to solve this problem. The following points have been mentioned:

1. Deposits are made in the Bank of China by the traders' transacting banks and loans are then to be offered by the Bank of China to the suppliers of machinery and equipment.
2. Assurances of disbursement are to be made by the units in China or by the Hua Jun Company.
3. Legal rights contained in the agreement concluded for the "compensation trade" are to serve as the collateral required for the loan, provided that the agreement stipulates that the specified collateral in question is transferable.

Studies from many angles are still needed to ascertain the practicality of these approaches. The assistance rendered by China's trade departments to work out a sound and feasible plan will certainly facilitate the promotion of this form of trade.

Fourth Installment

HK131120Y Hong Kong TA KUNG PAO in Chinese 6 Nov 78 p 10 HK

[Feature article by Tsai Wei-heng: "Management Issues of Cooperative Production--Fourth Comment on Problems Concerning 'Compensation Trade'"]

[Text] "Compensation trade" and analogous cooperative production primarily use finished products to redeem equipment (processing expenses will finally be manifested in the form of finished products or in the form of semifinished products). The production costs, product quality and delivery time for finished products thus become key issues which concern production management, labor efficiency, quality control, quality inspection and transport conditions.

"Compensation trade" is not a "joint venture." Foreign businessmen who participate with China's production units in cooperative production naturally have no right to intervene in the production units' administrative management, profits and deficits. They do not need to worry about these issues. However, production management (here we should draw a distinction between production management and administrative management of enterprises) has an indivisible relationship with labor efficiency, quality control and quality inspection. If production management is conducted improperly, labor efficiency will be low and production cycle will be long. This will directly affect management costs and wages paid for the production of products (wages and management cost have nothing to do with foreign businessmen participating in cooperative production since processing expenses are basically calculated by the piece). This will also create a slow turnover of funds and will indirectly increase the selling cost of products. An increase in selling costs and a slow turnover of funds will greatly affect businessmen participating in cooperative production. If quality control and production management are improper and finished products do not conform with quality requirements, the redemption will become problematic. If the above-mentioned situation is true, the processing of imported raw materials will only create products that will be rejected, waste raw materials and lead to more serious results.

It is true that some agreements on cooperative production seriously stipulate that processing units in China are responsible for making compensations for all losses caused by substandard products. It is also true that these agreements have also established criteria for finished products. However, the concept of modern production management holds that relying on the inspection of finished products to insure product quality is similar to mobilizing an army after the enemy has fled. [paragraph continues]

Quality control means the establishment of a processing method and a technological criterion to strictly select raw materials and supervise every production procedure. Quality control aims at producing fewer rejected products. To do well in quality control we must first pay attention to establishing a perfect production management system.

The following is an example of the production management system. While visiting an electronics plant in China, an expert in electronics discovered that workers there proceeded with an important production procedure without wearing gloves. The expert then asked: "What is your plant's rate of rejected products?" The answer was that the rate was over 70 percent. He then asked: "Why is it that the workers do not wear gloves?" The answer: "The plant authorities originally demanded that workers wear gloves, but the workers regard gloves as troublesome and are not willing to wear them." This expert shook his head and said: "You had better give up producing this kind of product!" He explained: In processing this kind of product, touching it with sweaty hands is absolutely forbidden. Achieving a 70 percent reject rate after processing without wearing gloves is not bad at all. All products processed by workers who do not wear gloves should be rejected. That expert's plant has a reject rate of less than 5 per thousand because of strict enforcement of the management system.

Therefore, that plant's poor results were not due to the poor techniques of its workers or to its backward equipment. It was due to improper management. We can realize from this example the importance of enforcing proper production management.

Can we allow foreign businessmen involved in cooperative production to participate in production management? This is a question of concern to foreign businessmen.

Fifth Installment

HK131150Y Hong Kong TA KUNG PAO in Chinese 7 Nov 78 p 10 HK

[Feature article by Tsai Wei-heng: "Implementing Agreements, Travel Procedures--Fifth Comment on Problems Concerning 'Compensation Trade'"]

[Text] On the other hand, in the "compensation of trade" and other agreements in cooperative production ventures, we have to consider how we are going to solve the consequences when we cannot implement agreements because of various accidents or other reasons. For example, how are we going to solve problems involving shortages in supplies of provided raw material needed to process products, inability to meet finished product specifications, inability to continue production because of prices of products and the cooperating merchants' refusal to provide material or the occurrence of disputes? Although our country's trade agreement and contracts often stipulate that disputes should be solved through friendly consultations and although our country's trade promotion association has an arbitration commission, it is necessary to have still clearer stipulation for solving disputes along with arbitration procedures for the "compensation trade" agreements and other cooperative production ventures, since the question of providing equipment beforehand is involved. Only then can we eliminate the unnecessary worries of both sides. This is advantageous for promoting "compensation trade" and other similar types of cooperative production.

Besides, due to the close relationship between timing, efficiency and costs, it is also necessary to effectively solve transport, communications and two-way trade problems while simultaneously conducting cooperative production.

The delivery of goods by production units in the country has recently been greatly improved. Delayed deliveries of goods have been greatly reduced, which is an improvement worthy of praise. However, the transport of goods still cannot keep up with the development of trade. Goods still often have to await transport which inevitably delays production. Mail delivery takes too long and facsimile or telephone connections take time. Troubles have occurred in important systems such as the telephones at the trade fair, and there have been numerous difficulties in contacting and locating people. Many import and export companies in Chinese ports which have frequent communication with foreign areas are still not equipped with telecommunications. We still have to do many things to solve our communications problems.

Most annoying are the complicated travel procedures. In the business of cooperative production, many problems concerning raw materials, equipment and production have to be solved in a timely way by direct contact. If one wants to go to Shanghai now, he must first send a telegraph requesting entry to China and then wait for an affirmative reply. Namelists must be provided and the border defense informed and the CTS (China Travel Service) has to prepare the documents. All this takes 7 to 8 days. When the travel procedures in the Hong Kong CTS have been completed, one still has to fill out forms and send them off to the border defense for certification and approval. This takes at least 3 to 4 more days before one can start traveling. What may be only a very small technical problem, which could be solved on the spot in 2 or 3 hours, can possibly cause work stoppages for half a month. How can production be speeded up and trade increased?

Many foreign merchants get in such a state that they do not know whether to laugh or cry. Some foreign merchants, who often work many years outside their own countries, come to Hong Kong when they receive the invitation cards to attend the trade fair. When they go to the CTS with the invitation cards to prepare their visas, many are turned down. They are told they have to apply at the Chinese embassies in their own countries (it is the Chinese Liaison Office in the United States).

While we are speeding up the developing of foreign trade and launching flexible and diversified cooperative production and trade, can we not be more flexible and agile in the entry and departure procedures, which do not conform to the development of trade?

Sixth and Last Installment

HK131225Y Hong Kong TA KUNG PAO in Chinese 9 Nov 78 p 10 HK

[Feature article by Tsai Wei-heng: "Country of Origin Issues—Sixth and Last Comment on Problems Concerning 'Compensation Trade'"]

[Text] Here we may as well talk about problems concerning the country of origin with regard to cooperative production and the processing in China of products made from provided materials.

In a seminar sponsored by the American Chamber of Commerce, a question was raised: If processing is carried out in China using provided materials and if the raw materials are imported from abroad, will the United States impose import tariffs according to tax rates on Chinese products or according to tax rates on products from other foreign countries. As Chinese commodities exported to the United States now receive a discriminatory tariff treatment, the issue particularly concerns traders doing business with the United States.

According to the brief explanations given by the United States Customs Office, the key link in identifying the country of origin lies in whether or not the "materials" provided have gone through a "substantial transformation," the country of origin will be China and import tariffs will be paid according to the tax rates on imports from China (tariffs column 2). If the products have not gone through such a "transformation," the country of origin will be that of other foreign countries and import tariffs will be paid according to tax rates on imports from these countries (generally levied according to customs column 1).

For instance, if American cloth is imported into China to be processed into garments, these garments will be considered to be Chinese products, because cloth and garments are two different forms of commodities with the cloth having literally gone through a "substantial transformation." However, if shirts are imported into China for some processing or embroidery work and are then imported back into the United States, then they are still considered to be American products no matter how much processing work has been done or even if gold threads are used in the embroidery and the costs of the processing is 10 times the value of the shirts. This is because the shirts are still shirts and there has been no "transformation."

On the other hand, if Chinese cloth is used to manufacture garments in Hong Kong, import tariffs will be paid according to the tax rates on Hong Kong, import tariffs will be paid according to the tax rates on Hong Kong products when the garments are imported into the United States. However, Chinese cloth printed and dyed in Hong Kong, no matter what the processing costs (or the Hong Kong added costs) are, are still regarded as Chinese products. Import tariffs will be paid according to the tax rates on Chinese products when the cloth is imported into the United States.

This appears to be simple, but in fact is very complicated. If American electronic parts are imported into China to be fitted into computers, are those computers American or Chinese products? United States Customs Office answer is: If the parts have gone through a "transformation," they are Chinese products. However, if they have not gone through a "transformation" and the parts are merely being fitted together, then American import tariffs will be imposed based on the import value less the value of the American produced parts according to column 2--that is, tariffs will be paid according to the tax rate on Chinese products. This is very confusing.

Take another example: If Chinese machine parts are exported to Japan to be fitted into various pieces of machinery, will they be considered as Japanese or Chinese products? The answer is that if the parts are transformed into a new kind of product, then they will be Japanese; otherwise, they will still be Chinese. Simple fitting, repairs or changes generally cannot be considered to constitute any "substantial transformation" unless the volume of work is so great that the value of the finished products is conspicuously increased.

How exactly is the so-called "substantial transformation" evaluated? Is it evaluated by the amount of processing done, by the physical forms, or by the value? The examples quoted above are enough to confuse people. Thus, the United States Customs Office suggested that it would be better to present case-by-case inquiries according to the practical situation before they could give an answer.

However, trade is not one-sided. Just when China is opening its doors wide to foreign trade and when industrialists and businessmen of various countries are very confident of developing trade with China, many people in the United States have shown great concern over American tariff policies. They have noted that this is a big obstacles to developing trade between China and the United States and have all demanded a revision to the law. The United States Government is very hesitant over this, but the Congress is reportedly going to discuss it. Before things are determined, is it not possible for the Chinese trade departments to have some contacts through the liaison offices of both parties to clarify this issue?

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